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ABSTRACT

The purpose of this curriculum guide is to help the economics teacher in his endeavor to fulfill his teaching responsbilities. Space is provided for teachers' additions, deletions, notes, and criticisms which will be useful when the guide is revised. The guide is arranged in vertical columns relating the consumer economics curriculum concepts to: curriculum performance objectives, career concepts and performance objectives, suggested teaching methods, and audiovisual and resource materials. Follcwing a list of sources of audiovisual aids, examples and principles of money, banking, credit, budgets and interest are given in the appendix. (DS)

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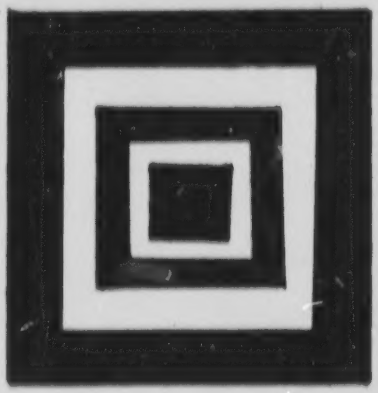

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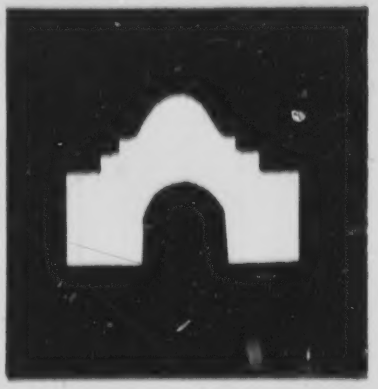

Career - Curriculum Guide

CAREER EDUCATION CENTER

HARLANDALE INDEPENDENT SCHOOL DISTRICT
3706 ROOSEVELT
SAN ANTONIO, TEXAS 78214

MATHEMATICS OF CONSUMER ECONOMICS

CE 001 006

CAREER EDUCATION CENTER

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MATHEMATICS OF CONSUMER ECONOMICS

CURRICULUM GUIDE

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A C K N O W L E D G E M E N T S

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Preface

Meaningful existence is the goal of life in today's world. Living takes on meaning when it produces a sense of self-satisfaction. The primary task of education must be to provide each individual with skills necessary to reach his goal.

When children enter school, they bring with them natural inquisitiveness concerning the world around them. Normal curiosity can be the nucleus which links reality to formal training if it is properly developed. A sense of continuity must be established which places education in the correct perspective. Communities must become classrooms and teachers resource persons. Skills such as listening, problem solving, following directions, independent thinking and rational judgement then can merge into daily living procedures.

In classrooms especially designed to form a bridge between school and the world of work, experiences must be developed. On campus performance in job tasks and skills, following a planned sequence of onsite visitation, will fuse information into reality. Practical relationships developed with those outside the formal school setting will provide an invaluable carry-over of learned skills.

Search for a rewarding life vocation is never easy. Without preparation it becomes a game of chance. With a deliberate, sequential, and planned program of development, decisions can be made based upon informed and educated judgements.

A full range career education program, K-12, will offer opportunities for participants to enter employment immediately upon completion of training, post secondary vocational-technical education, and/or a four-year college career preparatory program.

C. N. Boggess

C. N. Boggess, Superintendent
Harlandale Independent School District

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P H I L O S O P H Y

The educational needs of any community are somewhat unique. This was certain to have been one of the guiding principles used when our forefathers set up local control for public schools. Accordingly, the philosophy of the Harlandale school system is to serve the educational needs of all its citizens as evidenced by adult classes, government sponsored retraining programs, vocational courses, etc. The mathematics department follows this philosophy in planning a program best suited to the needs of our students.

The past decade has proven the need for the new emphasis on the importance of the study of mathematics. Usefulness of mathematics in many fields of learning and endeavor, long thought to be free of mathematics, is now an accepted reality. Also, basic principles must be understood in order that mathematical systems can be devised to describe new human or mechanical activities, as they come to pass.

As mathematics continues to grow this must, of necessity, result in the addition of new symbols, terms, topics, and new approaches. The changing times will make some older topics and methods obsolete. To meet the mathematical needs of our students and to assist teachers in their instruction, the mathematics department has prepared this mathematics guide. Any given faculty consists of personnel with different degrees of training, experience, local tenor, and understanding of student needs. Hence, the desirability for some guiding criteria. In addition, we feel all students should consider career planning as a major facet of their education. Thus it follows that they will need some exposure to the different mathematical requirements of the varied career fields. In part, it is the purpose of this guide to assist the teacher in providing appropriate instruction to meet such needs.

The department feels that the most important basic guide for any mathematics course is the textbook, and careful care is taken in the selection of this book. Not only is the textbook an important guide for the teacher but it is also desirable for the student to learn the use of a textbook as a guide and important tool for learning.

Therefore, the plan of this mathematics guide is not to rewrite the textbook but to improve on it. Generally, the plan is to implement, where desirable, the textbook coverage, describe supplementary material that is needed and make suggestions on methods, procedures, order of coverage, etc.

Mathematics is a thoughtful, creative and intellectually stimulating subject. The enthusiasm and interest of the teacher in the subject is the best atmosphere for creating student enthusiasm for mathematics. This guide is planned to help foster this enthusiasm and in no way infringes on the academic freedom of the teacher.

It is hoped that the guide will prove helpful in understanding the basic standards, improving instruction, and developing the desired uniformity for the classes in each area of study. Finally, the guide should serve as the nucleus for a continuing effort to improve mathematics instruction.

Mr. Hamilton C. Dupont - Head of Math Department
Harlandale Independent School District

MATHEMATICS OF CONSUMER ECONOMICS

Goals

To introduce the student to the free enterprise system

To instill an awareness of the need for sound money management and to present the mathematics related to good money management

To acquaint the student with the basic family needs--food, shelter, clothing, transportation, and medical and dental care

To challenge the student to make good use of leisure time and to continue his education through reading, self-study, formal instruction, and travel

To present the nature of and need for insurance

To acquaint the student with the effects of the automobile and the airplane upon society and the environment and future plans for transportation

To make the student aware of the services of a bank and all types of consumer credit

To develop a need for retirement plans

To present in all topics unethical advertising and business practices

To improve the student's understanding of the relationship between various careers and mathematics

The audio-visual materials listed in this guide have been assigned catalog numbers by the Harlandale Independent School District audio-visual department or the Education Service Center, Region 20, San Antonio, Texas.

MATHEMATICS OF CONSUMER ECONOMICS

The major portion of the following outline is taken from the Texas Education Agency's Bulletin 731 which was released in January of 1973. The outline corresponds to the outline found in the curriculum concepts of this guide. The page numbers refer to the present textbook being used in mathematics of consumer economics by the Garlandale Independent School District. (Skeen, Kenneth C., Mathematics with Business Applications, Menlo Park, California: Addison-Wesley Publishing Company, 1969.)

I. Free Enterprise System
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   B. Effects of Consumer
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   D. Effects of Advertising upon Buying Practices pp. 361-365
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MATHEMATICS OF CONSUMER ECONOMICS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
I. Free Enterprise System A. Introduction	I. THE STUDENT SHOULD BE ABLE TO: A. Write a one page report on the meaning of the free enterprise system in America.	Concept Relationship of how the free enterprise system is affected by the consumer to the law of supply and demand which is studied by the economist. Performance Objective List one way in which an economist applies the law of supply and demand. General Information Students wishing extra activities should be encouraged to research other careers in the economic field. They may wish to compile and analyze material on work done by the economist. Economics is the largest of the basic social science fields. Approximately 33,000 economists were employed in 1970 with salaries ranging from $9,548 as a start to over $23,000 yearly. High school students wishing a career in economics should acquire all the math courses available to them. A bachelor's degree with a major in economics is sufficient for many beginning jobs. Graduate work is very important for advancement. Teaching Activity An economist often must deal with the law of supply and demand. In figuring the cost of natural gas to a large city the economist must
	B. List with 80% accuracy five effects of the consumer on the free enterprise system.	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
I. A. Ask the students to research the free enterprise system in the library. Use several transparencies from the Economics in Business Series in explaining the free enterprise system. B. Use several transparencies from the Economics in Business Series in explaining the effects of the consumer on the free enterprise system. Ask an economist or consumer analyst to speak to the class.	Career Harlendale Audio-Visual Center Economics in Business Series; transparencies -- TF-133 through TF-152 For Additional Information on Economic Careers American Economic Association, 1313 21st Avenue South, Nashville, Tenn. 37212. The Foreign Service in the Seventies, U.S. Department of State, Publication 8535, Washington, D.C. 20520. Free. The International Developer (Economist), Professional Talent Search, Office of Personnel and Manpower, Agency for International Development, Washington, D.C. 20523. Free.	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
		examine the supply of gas available as well as the demand for natural gas by the city. An economist working for "Southern States Gas Company" is asked to compute a fair rate for the sale of natural gas to a large city. The economist must take several things into account. The gas must be priced in order that supply and demand remain in balance. The city demands approximately 200,000,000 cubic feet of natural gas per day. "Southern States Gas Company" is capable of supplying 300,000,000 cubic feet of gas per day. The economist recommends that the price be lowered for a period of two years in order to encourage consumption. After the two year period when demand and supply are in balance he recommends an increase in rates. In using this strategy the company will realize considerably more profits over a prolonged period of time.

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, CLASSROOM ENRICHMENT, AND TEACHING ACTIVITIES
II. Money Management A. Budgeting	II. THE STUDENT SHOULD BE ABLE TO: A. Given the necessary information, complete a budget for a family of four with 90% accuracy.	Concept Relationship of how advertising affects buying practices to the job performed by an advertising analyst. Performance Objective Given the percentage of increase in sales created by advertising and the number of cases of a product normally sold, calculate the number of cases that will be sold after an advertising campaign. General Information Students wishing extra activities should be encouraged to research other careers in advertising. They may wish to compile and analyze material on specific advertising careers. Examples: 1. Advertising managers 2. Account executives 3. Advertising copywriters 4. Production managers 5. Research directors 6. Artists More than 140,000 men and women were employed in advertising in 1970. There is no typical educational background for success in advertising, however, most employers prefer college graduates. Teaching Activity One study revealed that advertising a product increases sales of that product by 36%. The sales of the advertised item
	B. Given the necessary information, complete with 100% accuracy a deposit slip for a local savings association.	
	C. Name two methods of improving an individual's buying practices.	
	D. Bring and present to the class two popular advertisements which are intended to influence the consumer.	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
II. A. Give the students a listing of the expenses of a family of four over a month period. Give the students the actual costs of each of these expenses. After instruction on the form of a budget ask the students to complete a budget for the family of four. (page 1 in the appendix) B. Obtain a supply of deposit slips from a local savings association. If possible, make a transparency of the deposit slip. Give each student a deposit slip and ask them to complete the slip as you instruct them at the projector. (page 2 in the appendix) C. Hold a class discussion on good buying habits. Ask the students to give personal experiences of their family. D. Bring magazines and newspapers to class for the students to obtain selected advertisements. Ask the students to discuss what effect the selected advertisements will have on consumers.	Career Harlandale Audio-Visual Center Advertising Worker; magnetic tape -- MT-290 For Additional Information on Advertising Careers American Advertising Federation, 1225 Connecticut Ave. NW., Washington, D.C. 20036. American Association of Advertising Agencies, 200 Park Ave., New York, N.Y. 10017. Association of Industrial Advertisers, 41 East 42nd Street, New York, N.Y. 10017.	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
		has been approximately 200 units per month in a particular store. Calculate how many units the store should order per month after the advertising campaign. Solution: 36% of 200 = 72 units increase 200 + 72 = 272 units to be ordered for future months

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
III. Insurance A. Nature of Insurance	III. THE STUDENT SHOULD BE ABLE TO: A. List three reasons why it is necessary for an individual to carry insurance.	Concept Relationship of how mathematics is used in determining premiums to the job of an insurance agent. Performance Objective Given a premium rate table and the face value of three life insurance policies, calculate straight life insurance for a person 15, twenty-payment life for a person 25, and twenty-year endowment for a person 30. General Information Students wishing extra activities should be encouraged to research other careers related to insurance. They may wish to compile and analyze material done by persons involved with insurance. Although employers seldom specify age limits or formal educational requirements, practically all agents hired in recent years have been at least 21 years of age, and more than half of them have had some college training. Beginners in this occupation often are guaranteed moderate salaries or advances on comissions while they are learning the business and building up a clientele. After a few years, an agent's commissions on new policies sold and on renewals may range from $8,000 to $20,000 annually.
B. Life Insurance	B. When given the necessary information, compute and compare with 80% accuracy the costs and benefits between group life insurance and individual insurance.	
C. Annuities	C. When given the necessary information, compare the benefits obtained from an annuity and a like sum of money if it had been placed in a bank at six percent interest.	
D. Effects of Advertising	D. Bring and present to the class two insurance advertisements.	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
III. A. Ask the students to research the origin and beginnings of insurance. Ask a resource speaker to talk to the class about the nature of insurance as well as the job possibilities in insurance. B. Inquire with several insurance companies in regard to group and individual rates and benefits for life insurance. Ask students to compute the differences between companies. C. Compare by written example the income one would receive from an amount of money invested in an annuity and the same amount of money if it were invested in a bank at six percent interest. Stress the risks or lack of risks found in both plans. D. Ask the students to obtain and bring to class two insurance advertisements. Hold a class discussion on the effects of the advertisements on the consumer.	Curriculum Harlandale Audio-Visual Center Insurance; filmstrip -- X-49 Career Harlandale Audio-Visual Center Insurance Agent-Broker; magnetic tape -- MT-376 Insurance Salesman; cassette tape -- Cas. T-53 Your Future as an Insurance Salesman; magnetic tape -- MT-276 For Additional Information on Insurance Careers Institute of Life Insurance, 277 Park Ave., New York, N.Y. 10017. Insurance Information Institute, 110 William St., New York, N.Y. 10038. National Association of Insurance Agents, 96 Fulton St., New York, N.Y. 10038. American Mutual Insurance Alliance, 20 North Wacker Dr., Chicago, Ill. 60606.	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES

Teaching Activity

In performing his job an insurance agent must often calculate premiums. The following problem is typical of the calculations he must make.

Annual Premium for $1,000 Insurance

Age at Issue	Kind of Policy		
	Straight Life	20-Pay. Life	20-Year Endow.
15	$10.31	$18.23	$42.08
20	11.80	20.28	42.13
25	13.64	22.48	42.27
30	16.01	25.40	42.56
35	19.09	28.83	43.14
40	23.31	32.75	44.44
45	28.58	37.59	46.54

Find the annual premium on each of the following policies:

a. Straight Life-15 years old-$6,000
   $10.31 X 6 = $61.86 annually
b. 20-Payment Life-25 years old-$5,000
   $22.48 X 5 = $112.40 annually
c. 20-Year Endowment-30 years old-$7,500
   $42.56 X 7.5 = $319.20 annually

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
IV. Credit Financing A. Consumer Goods	IV. THE STUDENT SHOULD BE ABLE TO: A. When given the cost of a color television, compute with 80% accuracy the cost financing of the television for two years at ten percent interest.	Concept Relationship of how organizing family expenses aids the consumer to the job of a credit analyst. Performance Objective Given a fixed income and percentages for amounts of spending, calculate the amount of money a family should spend on food, clothing, housing, operating expenses, development, and savings. General Information Students wishing extra activities should be encouraged to research other careers in credit financing. They may wish to compile and analyze material on work done in financing. A credit analyst analyzes credit data to estimate degree of risk involved in extending credit. The analyst also advises firms and individuals on their financial records. Most are employed by banks or finance companies. High school students wishing to become a credit analyst should enjoy working with numbers. In most cases a degree in business administration is required for a position. Salaries vary according to range of responsibility. Teaching Activity A family with a history of financial mismanagement has come to a finance company to
B. Types 1. Banks	B. 1. Compute the payments with 90% accuracy on a bank loan of $3,000 for 3 years at 8% interest.	
2. Credit Unions	2. List two benefits of doing business with a credit union instead of another loan establishment.	
3. Savings and Loan Associations	3. List two benefits of doing business with a savings and loan institution instead of another loan establishment.	
4. Insurance Loans	4. List one reason for not making an insurance loan.	
5. Loan Companies	5. After investigating the loan rates at a local bank and a local loan company, compare differences in cost of a loan for the same amount of money for the same time at both establishments.	
6. Department Store Accounts	6. Compute the cost with 90% accuracy of charge account buying at a department store.	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
IV. A. Ask each student to make a list of consumer goods which may be obtained by credit financing. Ask students to work problems at the board concerning the cost of credit financing. B. 1. Ask a resource speaker from a bank to speak to the class. Ask the students to make a written report on what the speaker said. 2. Discuss the benefits of doing business with a credit union. Have a student poll on how many parents belong to a credit union. 3. Ask a resource speaker from a savings and loan association to speak to the class. Plan a field trip to a local bank or savings and loan association. 4. Discuss the risks of making loans on one's insurance policy. After giving the students the necessary information ask them to compute the amount of money that may be loaned on a particular insurance policy. 5. Ask the students to investigate the differences between loan rates at a local bank and a local loan company. Have the students make reports on their findings. 6. Ask the students to list local department stores which allow a charge account. Show the students how the department store computes charges on charge account buying.	Curriculum Harlandale Audio-Visual Center Interest-Borrowing and Investing; filmstrip -- X-46 Career Harlandale Audio-Visual Bank Tellers: record with filmstrip -- PR-750 (CC-27) Banker; cassette tape -- Cas. T-40 Your Future as a Bank Teller; magnetic tape -- MT-253 For Additional Information on Credit Careers American Bankers Association, Personnel Administration and Management Development Committee, 1120 Connecticut Avenue, N.W., Washington, D.C. 20036. National Association of Bank Women, Inc., National Office, 111 E. Wacker Dr., Chicago, Ill. National Bankers Association, 4310 Georgia Ave., N.W., Washington, D.C. 20011.	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
7. Insurance on Loans	7. List two reasons for insurance on loans.	borrow money. A credit analyst is appointed to aid the family in financial planning. The analyst explains that the family must have an acceptable budget before the loan can be made. The family has an annual income of $6,000 and expenses as follow: TOTAL CASH INCOME -- $6,000 100% Food $1,800 30%; Clothing $840 14%; Housing $1,200 20%; Operating $1,260 21%; Development $900 15% Since these expenses are acceptable by company policy, the loan is approved.

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
7. Discuss the risk a loan company takes in making a loan. Ask the students to compute the cost for one year of insurance on a loan.	The National Consumer Finance Association, 1000 16th St., N.W., Washington, D.C. 20036.	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
V. Food A. Well-Balanced Diet	V. THE STUDENT SHOULD BE ABLE TO: A. Complete a well-balanced diet for a person for one week.	Concept Relationship of how the low-fat diet is calculated to the job of the dietitian. Performance Objective Given a listing of low-fat foods, formulate a menu for meals for a one day period (each meal not to exceed 600 calories). General Information Students wishing extra activities should be encouraged to research other careers in nutrition. They may wish to compile and analyze material on specific and related nutrition careers. About 30,000 dietitians were employed in 1970 -- less than 10 percent were men. Salaries in 1970 ranged from $8,900 to $16,300 per year. The minimum educational requirement for dietitians is a bachelor's degree with a major in foods and nutrition or institution management. Teaching Activity A dietitian, working for a hospital, has just been given instructions to formulate a low-fat diet for a heart patient. The diet is not to include more than 600 calories at any one meal. The dietitian has a listing of low-fat foods and formulates the following menu for one day:
B. Buying and Storing Food	B. When given the necessary information, compare and compute the cost of buying food for short periods to buying food for prolonged periods.	
C. Restaurants	C. When given the necessary information, compare the cost of eating at home to that of eating at a restaurant.	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
V. A. Ask the students to keep a listing of their food intake for one week. Have them compare their diet to what is considered a well-balanced diet for one week. B. Ask the students to make a grocery list for a family of three for a one week and a one month period. Ask the students to compute the total costs for one week and one month. Stress the cost of transportation to obtain the food and the cost of storage. C. Ask the students to compile the costs of eating a complete dinner at home and at a restaurant. Hold a class discussion on the economy of eating at home.	Career Harlandale Audio-Visual Center Dietician; cassette tape -- Cas. T-77 For Additional Information on a Career as a Dietician The American Dietetic Association, 620 North Michigan Ave., Chicago, Ill. 60611.	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES GENERAL INFORMATION, AND TEACHING ACTIVITIES

Breakfast

Food	Amount	Calories
½ Grapefruit	4½" diameter	52
sugar	1 teaspoon	20
Oatmeal	½ cup cooked	74
Skim milk	½ pint	87
Skim milk powder	2 oz.	108
Sugar	1 teaspoon	20
Coffee or tea		
Whole wheat toast	2 slices	110
Jam	1 tablespoon	58
TOTAL		529

Lunch

Tuna salad		
Dietetic tuna	½ can (3½ oz.)	12[illegible]
Egg whites	2	
Celery, onion		30
Dietetic dressing		57
Quartered tomato		23
Rye Krisp	4 double squares	80
Orange sherbet	½ cup	177
Buttermilk	½ pt.	85
Tea or Coffee, sugar	1 teaspoon	20
TOTAL		594

Dinner

Ground beef steak	2 patties(3½oz.)	236
Baked potato with	1 medium 2½"	98
ricotta cheese	1 tablespoon	40
Broccoli	½ cup	23
Fresh fruit salad	½ cup	70
Cocoanut cookies	2	36
Tea or coffee, sugar	1 teaspoon	20
TOTAL		523
Grand Total		1646

Fat: 25 grams; Protein: 108 grams;
Carbohydrate: 232 grams.

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
VI. Shelter A. Home Ownership 1. Purchase Price	VI. THE STUDENT SHOULD BE ABLE TO: A. 1. Given the total income for a family of four, determine the maximum purchase price the family should pay for a home.	Concept Relationship of how the real-estate tax is calculated to the training needed by a real-estate clerk. Performance Objective Calculate the real-estate tax to be paid on a house with an assessed value of $17,000 if the rate is 5%. General Information Students wishing extra activities should be encouraged to research other careers in real-estate. In 1970 approximately 225,000 persons were involved in the real-estate business (about three-fifths were men). The average salary for persons involved in real-estate is $9,000, however, some make $20,000 and more. A license is required to be a real-estate broker in most states. All states require agents to pass written exams which include questions on the fundamentals of real-estate. Employers prefer to hire persons with a high school education which has included a broad academic program. Teaching Activity A real-estate clerk must calculate the real-estate tax on a house for a customer. The house has an assessed value
2. Financing	2. Calculate with 80% accuracy the cost of financing $10,000 for 29 years at 8% interest.	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

VI.

A.

1. Ask the students in the room how much they feel a family should pay for a home. After discussion give the students the three suggestions given the home buyer by the United States Consumeration Bureau: (a). "In buying, pay no more than two to two and one half times the annual income." (b). "Monthly expenditures for a house should not exceed one week's pay, or between 20 and 25 percent of the monthly income." (c). "Pay for one week's work may equal one percent of the price of a house, that is, $70 a week may suggest a $7,000 house."
2. Interest on $10,000 for 29 years at 8% is as follows:

AGE OF LOAN	INTEREST PAID AT 8%
1	$800
2	$792
3	$783
4	$774
5	$764
6	$753
7	$741
8	$729
9	$715
10	$700
11	$684
12	$667
13	$648
14	$628
15	$606
16	$583
17	$557
18	$530

Career

Harlandale Audio-Visual Center
Real Estate Appraisers; record with filmstrip -- PR-749 (CC-26)

Realtor; cassette tape -- cas. T-55

Your Future as a Real Estate Salesman; magnetic tape -- MT-267

For Additional Information on Real Estate Careers

National Association of Real Estate Boards, Department of Education, 155 East Superior St., Chicago, Ill. 60611.

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
		of $17,000. He knows the rate of the tax is 5%. Solution: $\frac{n}{17,000} = \frac{5}{100}$ 100n = 85,000 n = $850 tax
3. Maintenance	3. Make a listing and calculate the cost of maintaining a home for five years with 80% accuracy.	
4. Taxes	4. Given the necessary information, calculate with 80% accuracy the taxes on a $20,000 home for five years.	
5. Insurance a. Protection of Investment	5. a. Given the necessary information, compute the cost of a protection of investment insurance policy for a thirty year loan on a $17,500 loan.	
b. Liability	b. List two reasons for a home owner to purchase liability insurance.	
B. Apartment Living	B. Given the costs of apartment living, compute and compare the total cost for one year as compared to home ownership cost for one year with 80% accuracy.	
C. Advertising	C. Bring to class for discussion one advertisement for apartment living and one advertisement for home ownership.	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

19	$500
20	$468
21	$434
22	$396
23	$356
24	$313
25	$266
26	$215
27	$160
28	$101
29	$37
Total	$15,700

3. Ask the students to make a listing of the necessary costs in maintaining a home. Ask them to research the costs of the maintenance and compile these costs over a specified period.
4. Ask a tax agent to speak to the class on the methods and procedures of computing taxes.
5. Ask a resource speaker from an insurance company to speak to the class on the many types of insurance.

B. Ask the students to make a local survey of the costs of apartment living in the local area. Ask the students to compare these costs with those of home ownership.

C. Ask students to search newspapers for advertisements on buying a house and renting an apartment. Tell them to bring at least one of each to class. Ask selected students to make reports to the class on their advertisements.

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
VII. Clothing A. Proper Selection B. Advertising	VII. THE STUDENT SHOULD BE ABLE TO: A. Make a budget for the clothing of a high school student for a period of one year. B. Bring to class for discussion a newspaper or magazine advertisement concerning clothing.	Concept Relationship of how mathematics is used in calculating the amount of cloth needed by a manufacturer to the job of a clothing designer. Performance Objective Given the amount of cloth needed and the number of dresses to be made, calculate the total amount of cloth needed. General Information Students wishing extra activities should be encouraged to research other careers in the clothing industry. Examples: 1. Designing room occupations 2. Sample stitcher 3. Patternmaker 4. Cutting room occupations 5. Hand spreader 6. Marker 7. Cutter 8. Sewing room occupations 9. Tailoring occupations 10. Pressing occupations 11. Fur shop occupations Designers are usually required to have considerable artistic ability as well as talent of the draftsman. About 1.4 million persons were employed by the apparel industry in 1970. The average salary for all workers in the apparel industry was $84.37 a week in

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
VII. A. Ask the students to make a listing of the clothes they will need for one year. Ask the students to compare lists. Hold a class discussion on the desirability of the best listing. B. Ask a local clothier to speak to the class on the effect of advertising on the clothing industry.	Career ESC - Region 20 How Clothing Is Made-The Story of Mass Production; 16mm film -- 8897 For Additional Information on the Clothing Industry American Apparel Manufacturers Association, Inc., 2000 K St. N.W., Washington, D.C. 20006. Clothing Manufacturers Association of U.S.A., 135 West 50th St., New York, N.Y. 10020. International Association of Clothing Designers, 12 South 12th Street, Philadelphia, Pa. 19107. Internatioanl Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019. National Board of the Coat and Suit Industry, 450 Seventh Ave., New York, N.Y. 10001. National Dress Manufacturers' Association, Inc., 570 Seventh Ave., New York, N.Y. 10018.	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS; PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
		1970. On the other hand beginning designers earn from $85 to $125 a week. As the designer gains experience and is given more responsibility, their salary may range from $8,000 to $30,000 a year. Teaching Activity A clothes designer has just completed a new design for a dress which requires 3 2/3 yards of material on the average. The designer must inform the manufacturer how much cloth must be ordered in order to make 500 of the dresses. Solution: 500 X 3 2/3 $\frac{500}{1} \times \frac{11}{3} = \frac{5,500}{3}$ $= 1,833 \frac{1}{3}$ yds.

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
VIII. Continuing Education A. Trade B. Technical Vocation C. Profession	VIII. THE STUDENT SHOULD BE ABLE TO: A. List five trades a student may enter after high school and how each trade depends on at least one concept of mathematics. B. List two technical vocations and give an exact example of how each uses math in their job. ✓ C. List four professions and give an exact example of how each uses math in their job.	Concept Relationship of how mathematics is used in averaging grades to the job of a teacher. Performance Objective Calculate the arithmetic mean for nine grades made on a test. General Information Students wishing extra activities should be encouraged to research careers in the teaching field. They may wish to compile and analyze material on work done in teaching. Approximately 2.6 million men and women were full-time teachers in elementary school, secondary schools, and colleges in 1970-71. Women teachers out-number the men in elementary grades and hold half the teaching positions in secondary schools. In colleges, however, only about one-fourth of the faculty are women. Salaries are varied according to states with average salaries as in the following: elementary $9,025 in 1970-71 secondary $9,540 in 1970-71 college $11,745 in 1969-70 High school students wishing to enter teaching should take college preparatory courses in college. A student must receive a bachelor's degree to enter teaching at the elementary or secondary level. A college position requires a master's or Ph.D. degree.

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
VIII. A. Ask the students to make a listing of the trades a student may enter after completion of high school. Give the students a math application for each one listed. B. List the technical vocational training that may be secured by high school students. Ask the students to ask a teacher or student of each course for an exact example of a math problem used in a particular vocation. C. Ask the students to make a listing of the professions one may enter after completion of necessary training. Ask the students to research an exact example of how math is used in four professions.	Career Harlandale Audio-Visual Center High School Teacher; cassette tape -- cas. T-35 For Additional Information on Teaching Careers U.S. Department of Health, Education, and Welfare, Office of Education, Washington, D.C. 20202. American Federation of Teachers, 1012 14th St. N.W., Washington, D.C. 20005. National Commission on Teacher Education and Professional Standards, National Education Association, 1201 16th St. N.W., Washington, D.C. 20036.	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
		Teaching Activity A teacher in a high school must compile the grades for a student in his class. The student has nine grades. The teacher must calculate the mean or average of the nine scores to determine a grade. Solution: 88 93 78 93 83 80 78 82 85 (student's grade) 90 9 ⟌765 72 45 45

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
IX. Medical and Dental Expenses A. Regular Dental and Medical Care B. Insurance	IX. THE STUDENT SHOULD BE ABLE TO: A. Given the typical charges made by doctors and dentists, compile and compute the medical and dental expenses for a family of four for one year. B. Given the necessary information, calculate the cost of medical insurance as compared to the cost of a prolonged stay in a hospital without medical insurance.	Concept Relationship of how medical bills are calculated to the job of the medical assistant. Performance Objective Given the costs to be paid under a major medical policy, calculate how much a patient may expect to pay. General Information Students wishing extra activities should be encouraged to research other health service careers. Approximately 3.5 million people were employed in health related occupations in 1970. Examples: 1. Physicians 2. Dentists 3. Dental assistants 4. Nurses 5. Medical assistants 6. Technicians 7. Therapists 8. Optometrists 9. Pharmacists The wide range of careers available in health related occupations should make it evident that training varies. For instance some therapists receive on the job training while physicians must receive formal job training for as many as ten years. High school students should be encouraged to investigate the training necessary for a particular job.

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
IX. A. Ask a member of the medical profession to speak to the class on the many opportunities in the medical profession. If possible, obtain a listing of typical medical charges from a local hospital and discuss these expenses with the class. B. Secure from a local health insurance company a list of the medical expenses allowed. Given a listing of expenses encured over an extended stay by a patient in a hospital, ask the students to compute the cost to the patient in consideration of medical insurance payments.	Career Harlandale Audio-Visual Center Your Future as a Dental Technician; magnetic tape -- MT-256 The Nurses Aid; filmstrip -- F-79 Jobs in Health Service Series; records with filmstrips -- PR-699(AA-42) through PR-702(AA-49) A Direction for Tomorrow; records with filmstrips -- PR-754(CC-44) through PR-756(CC-49) Dental Hygientist; cassette tape -- cas. T-29 For Additional Information on a Career as a Medical Assistant American Association of Medical Assistants, 200 East Ohio Street, Chicago, Ill. 60611. American Medical Association, Council on Medical Education, 535 North Dearborn Street, Chicago, Ill. 60610.	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
		Teaching Activity Because of the high cost of health care many companies or businesses have group medical plans to defray medical expenses. Major medical benefits are often included in these policies. The medical assistant must often bill patients for benefits not paid under benefits of the policy. A typical major medical benefits policy pays 80% of all medical expenses above $100 which are not paid by any other insurance. A medical assistant in billing a patient notices that $178.50 of a medical bill will not be covered under regular benefits. The assistant then calculates the expense of the bill to the patient after major medical benefits. Solution: $178.50 -$100.00 deductible $78.50 $78.50 X .80 62.8000 $78.50 -$62.80 $15.70 $100.00 + 15.70 $115.70 billed to patient

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
X. Income Tax A. Short Form	X. THE STUDENT SHOULD BE ABLE TO: A. Given the necessary information, complete a short tax form with 95% accuracy.	Concept Relationship of how income tax withholdings are computed to the specialized training needed by the pay-roll clerk. Performance Objective Given the withholding formula and the weekly salary involved, compute the withholding tax to be withheld by the employer for one week. General Information Students wishing extra activities should be encouraged to research other careers in the office occupations field. They may wish to compile and analyze material on work done in clerical occupations. More than 13 million persons were employed in clerical and related work in 1970. The average salaries of women office workers in metropolitan areas surveyed by the Bureau of Labor Statistics in 1968-69 ranged from about $70 a week for file clerks doing the most routine kind of work to nearly $160 a week for skilled secretaries. Men generally were paid higher than women employed in the same localities. High school students wishing a career in the clerical occupations should take as many business subjects as possible. A high school
B. Long Form	B. Given the necessary information, complete a long tax form with 80% accuracy.	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
X. A. Request tax information from a regional income tax office. Usually this information will be sent in booklet form. Hold a class discussion on the information found in the booklet. Use a transparency of a short form in explaining to the students the procedure for completing the form. B. Show a film from the Internal Revenue Service on completing tax forms. Ask a resource speaker from the Internal Revenue Service to speak to the class on the accuracy of completing tax forms. Use a transparency of a long form in explaining to students the procedure for completing the form.	Curriculum Harlandale Audio-Visual Center Federal Taxes; filmstrip -- X-48 Career Harlandale Audio-Visual Center Employee's Withholding Exemption Certificate; transparency -- TP-158 W-4 and W-2 Forms; transparency -- TP-128 Form 1040 A; transparency -- TP-129 Your Future in the Internal Revenue Service; magnetic tape -- MT-281	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
		diploma is required by most employers. Teaching Activity One of the duties of a payroll clerk is to compute and subtract income tax withholdings from an employers paycheck. In performing this task the payroll clerk uses the formula $T = 0.14[G - (13.50 \times n)]$. In the formula T stands for income tax withholdings for one week, G stands for gross weekly wage, and n for the number of persons counted as tax exemptions. If G = $126.00 and n = 1, solve for T. Solution: $T = 0.14[G - (13.50 \times n)]$ $T = 0.14[126 - (13.50 \times 1)]$ $T = 0.14(126 - 13.50)$ $T = 0.14 \times 112.50$ T = $15.75 withheld from check weekly

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
XI. Transportation A. Automobile 1. Expenses	XI. THE STUDENT SHOULD BE ABLE TO: A. 1. Compile and calculate with 90% accuracy the expenses of owning an automobile for one year.	Concept Relationship of how charges for excess baggage on a commercial airlines are determined to the job of an airline ticket agent. Performance Objective Given the weight and amount of luggage to be carried on a commercial airlines by one person, calculate the excess charges (if any). General Information Students wishing extra activities should be encouraged to research other careers in the airline industry. They may wish to compile and analyze material on work done by the airline industry. Examples: 1) Pilots and copilots (approximately 27,000 employed in 1970 by scheduled airlines; 1,600 were employed in 1970 by supplemental airlines; and 2,500 were employed in 1970 by the Federal Government. Salaries averaged about $30,000 a year on domestic scheduled airlines and $37,000 a year on international operations. 2) Flight engineers 3) Stewardesses - Specified qualifications (19 to 27 years old, 5 feet 2 inches to 5 feet 9 inches tall, weight not to exceed 140 pounds, and must be in excellent health). There are several thousand job openings in this field each
2. Effects on Environment	2. List two detrimental effects the automobile has on the environment.	
B. Public Transportation 1. Trains	B. 1. By calling a depot compile a list of the expenses of traveling by train to two locations in the state.	
2. Airplanes	2. By compiling information from a local airport compare the expenses of making the same trip by plane and train.	
3. Metropolitan Transportation Systems	3. List three advantages of a public transportation system over personal transportation.	
4. Car Rentals	4. By calling two car rental agencies compile a listing of the expenses of renting a car.	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
XI. A. 1. Ask the class to orally compile a list of the expenses of owning an automobile for one year. Ask selected students to research exact expenses and in turn calculate the exact expense of owning an auromobile for one year. 2. Request a resource speaker from the environmental control agency to speak to the class on the effects of the automobile on the environment. As extra credit request the students to write for further information on pollution. B. 1. Assign each student a particular city in the state served by train service. Ask the student to phone a local depot in order to request the round trip charges to the designated city. 2. Using the same city assigned in the train service exercise, request the student to phone a local airport in order to compare charges for the round trip between plane and train. 3. Ask a resource speaker from a local metropolitan transportation agency to speak to the class. Hold a class discussion on the attributes of both public and private transportation. 4. Assign at least two students in the class the task of calling two car rental agencies in order to obtain charges for renting a car. Have the students report their findings to the class.	Career Harlandale Audio-Visual Center Your Future as a Commercial Airlines Stewardess; magnetic tape -- MT-255 Stewardess; cassette tape -- cas. T-28 Commercial Pilot; cassette tape -- cas. T-39 For Additional Information on Aviation Careers Air Line Pilots Association, International, 1329 E. St., N.W., Washington, D.C. 20004. Flight Engineers' International Association, 100 Indiana Ave. N.W., Washington, D.C. 20001. Air Line Dispatchers Association, 929 West Broad St., Falls Church, Va. 22130. Air Line Employees Association, 5600 S. Central Ave., Chicago, Ill. 60638.	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
		year. Salaries ranged in 1970 from $523 to $800 per month. 4) Mechanics 5) Airline dispatchers 6) Air traffic controller 7) Ground radio operators 8) Traffic agents and clerks - (approximately 45,000 were employed in 1970 with salaries ranging from $495 to $854 per month) High school students wishing a career with the airlines industry must prove proficiency in their chosen field. A pilot must have a solid background in math with a degree (usually in math) from college. Traffic controllers and flight engineers also require a broad background in mathematics. Stewardesses, traffic agents, and clerks must master the proper use of language (foreign helpful). Teaching Activity Most commercial airlines have set rules on the amount or weight of luggage taken aboard by any one person. On intercostal flights American Airlines allows each person two regular suitcases to be stored (each not to exceed 70 pounds) and one bag to be carried by the passenger. The ticket agent must count and weigh each of the pieces of luggage of each passenger. Most passengers do not exceed the limit and are not charged extra. However, in the case of any bag weighing over 70 pounds or more than two suitcases a $6.00 charge is made. In one case a passenger is taking seven suitcases. The ticket agent must bill the passenger for the excess baggage. Solution: 7 - 2 = 5 pieces of excess baggage 5 X $6.00 = $30.00 charge

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
C. Future	C. Write a two page report on the future of transportation.	
D. Advertising	D. Bring and present to the class two transportation advertisements.	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
C. As a library exercise assign the students to write a two page report on the future of transportation. Ask the students to make their reports orally to the class. D. Request the students to make a collection of transportation advertisements to make a bulletin board on transportation.		

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
XII. Banking A. Federal Reserve System	XII. THE STUDENT SHOULD BE ABLE TO: A. Write a two page report on the Federal Reserve System as used in the United States.	Concept Relationship of how interest is computed on a savings account to the job of a bank employee. Performance Objective Calculate the interest paid on a savings account of $500.00 at 5½% interest for one year. General Information Students wishing extra activities should be encouraged to research other careers in banking. They may wish to compile and analyze material on work done by bank employees. Examples: 1) Clerks (approximately 500,000 employed in 1970; 9 out of 10 were women; salaries ranged in 1969 from $70 to $130 a week) 2) Tellers (approximately 150,000 employed in 1970; 9 out of 10 were women; salaries ranged from $580 to about $1,500 a month) Banks usually hire tellers who are high school graduates experienced in clerical work. College graduation is usually a requirement for management trainees. A business administration major in finance including accounting, economics, commercial law, political science, and statistics provides
B. Local Banks 1. Savings Account	B. 1. After inquiring about the rate of interest paid by a local savings and loan association calculate with 90% accuracy the amount of interest which will be earned on $12,000 for ten years.	
2. Checking Account	2. Given the necessary information, complete blank check forms for a familys' expenses to be paid by check for one month.	
3. Trust Funds and Estate Planning	3. List two reasons for using a trust fund instead of a regular savings account.	
4. Safety Deposit Boxes	4. List two reasons for renting a safety deposit box.	
5. Individual Bank Loans	5. When given the necessary information, calculate the cost of a $3,000 bank loan on an automobile.	

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For Additional Information on Banking Careers

American Bankers Association, Personnel Administration and Management Development Committee, 1120 Connecticut Avenue, N.W., Washington, D.C. 20036.

Eastern Bankers Association, 2310 Ontario Ave., N.W., Washington, D.C. 20011.

National Association of Bank-Women, Inc., National Office, 111 E. Wacker Dr., Chicago, Ill. 60601.

The National Consumer Finance Association, 1000 16th St., N.W., Washington, D.C. 20036.

Financial Executives Institute, Division of Personnel, 633 14th St., N.W., Washington, D.C. 20045.

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
		an excellent preparation to become a bank officer. Teaching Activity Stress that banks use calculating machines and other equipment in determining interest, however, it is important that bank employees understand the mathematics involved. If a local bank pays 5½% interest annually on savings accounts, what would be the interest earned by depositing $500.00 for a year? Solution: Interest = Principal X Rate X Time I = 500 X 5.5% X 1 I = 500 X .055 X 1 I = $27.50

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
6. Business Loans	6. When given the necessary information, calculate the cost of a $50,000 business loan.	
7. Cashier and Travel Checks	7. List two reasons for using either cashier or travel checks.	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
6. Discuss the necessity of businesses making large loans. Discuss economic growth in the business world in regard to credit extended. Check the prime lending rate to large corporations in your area. After instruction ask the students to calculate the cost of a $50,000 business loan. 7. Discuss the process for obtaining cashier or travel checks. Discuss the uses and advantages of using travel or cashier checks. If possible, allow the students to view a cashier and a travel check.		

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
XIII. Proper Use of Leisure Time A. Family	XIII. THE STUDENT SHOULD BE ABLE TO: A. By keeping a time chart calculate the percentage of a person's time spent with their family.	Concept Relationship of how fractions are used in measurement to the job of a salesworker. Performance Objective Given seven yards of material, correctly measure 2½, 3¼, and 5 yards of material. General Information Students wishing extra activities should be encouraged to research other careers in retailing. They may wish to compile and analyze material on work done by salesworkers. Approximately 2.5 million sales persons (three-fifths women) were employed in the retail business. In 1970 salaries ranged from $1.60 to slightly over $3.00 per hour. Businesses prefer high school graduates for sales jobs. The student should seek courses in math and home economics in order to obtain a good background. Students should also plan to take distributive education in the eleventh or twelfth grades. There are many possibilities for part-time or extra work in the retail business. Teaching Activity A customer in a retail store wants to buy 3¼ yards of material to make a dress. The
B. Continuing Education	B. When given the necessary information, calculate the difference in salary a teacher with a bachelor's degree will earn in comparison to a teacher with a master's degree will earn over a forty year period.	
C. Hobbies	C. List five hobbies which one may have during leisure time.	
D. Travel	D. Compile a budget for a pleasure trip during the summer.	
E. Civic and Service Organizations	E. List ten civic and service organizations which a person may donate their leisure time.	
F. "Extra" Jobs	F. List five "extra" jobs a person may have to supplement their income.	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
XIII. A. Discuss home and family in regard to time the family spends together. Ask the students to calcualte the percentage of time the family spends together in regard to twenty-four hours in a day. B. Obtain from the personnel director of a local school district the pay scale for a teacher with a bachelor's and a master's degree. Ask the students to calculate this pay difference over a forty year period. C. Prepare a hobby show in the classroom. Request that students bring and present to the class their hobbies. Allow each student to make an oral presentation of their hobby. D. Give the students a chart of expenses encountered on an automobile trip (lodging, food, car, etc.). Ask the students to prepare a budget for a trip of their choice. E. Hold a class discussion on civic and service organizations which a student may serve. Make a listing on the board as each organization is discussed. F. Ask a job placement expert or school counselor to speak to the class on the part time work a person may undertake.	Career Harlandale Audio-Visual Center Your Future in Selling; magnetic tape -- MT-216 Salesman; cassette tape -- cas. T-32 For Additional Information on Sales Careers Sales and Marketing Executives International, Student Education Division, 630 Third Ave., New York, N.Y. 10017. The National Retail Merchants Association, 100 W. 31st St., New York, N. Y. 10001.	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
		sales clerk needs to be able to read fractions from a scale in order to cut 3¼ yards. The clerk must also determine the price. In this instance the material sells for $3.39 a yard. Solution: 3¼ yards X $3.39 3.25 X $3.39 = $11.0175 = $11.02 (price of 3¼ yards) Allow students to measure material in the room using a yardstick.

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
XIV. Planning for Retirement A. Social Security	XIV. THE STUDENT SHOULD BE ABLE TO: A. Calculate with 90% accuracy the amount of social security paid on an annual salary of $8,000.	Concept Relationship of how Social Security benefits are calculated to the job of a social security clerk. Performance Objective Given that a husband was receiving $189.90 in Social Security benefits upon his death, calculate the benefits his widow will receive at age 62. General Information Students wishing extra activities should be encouraged to research other careers in the federal civil service. They may wish to compile and analyze material on work done by federal employees. In 1968 the federal government employed about 12.6 million workers. In 1970, pay scales for classified positions ranged from $3,889 for GS-1 to $33,495 for GS-18. Benefits are generous for federal employees. Since the government offers such a wide variety of jobs, the high school student should adjust his course of study to the needs of a specific job. These needs can range from high school graduation to a Ph.D. degree. Teaching Activity A social security clerk must often inform workers of their benefits. In one such case a
B. Savings	B. Calculate with 80% accuracy the amount of money saved at $10 per week for 30 years at 5 3/4 % interest.	
C. Investments	C. List two advantages of investing one's money rather than a regular savings account.	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
XIV. A. Ask an employee of the Social Security Administration to speak to the class. Show the students duplications of pay check stubs showing deductions for Social Security payments. After instruction ask the students to calculate the amount of social security paid on an annual salary of $8,000. B. Stress the advisability of saving money for emergency or future needs. After class discussion and instruction ask the students to calculate the amount of money saved at $10 per week for 30 years at 5 3/4 % interest. C. Request a local investment broker to speak to the class on the advantages of investing one's money. Give an example of interest earned on money if it had been typically invested for the past ten years in comparison to the same amount of money being placed in a savings account.	Career Harlandale Audio-Visual Center Social Security Application Form; transparency -- TP-157 Applying for Social Security Coverage; transparency -- TP-127 For Additional Information on Civil Service Careers National Federation of Federal Employees, 1737 H Street N.W., Washington, D.C. 20006. United States Civil Service Commission, Washington, D.C. 20415.	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
		widow has asked what benefit she will receive. The social security clerk must get the pertinent information in order to file a claim. The clerk learns that the husband was receiving $189.90 per month social security benefits upon his death. Since the widow is 62 years old, the clerk advises her that she is entitled to 82½% of what her husband was receiving. Solution: 82.5% X $189.90 .825 X 189.90 = 156.65750 Since benefits are calculated to the nearest dime, the widow will receive $156.70 per month.

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
XV. Stocks and Bonds A. Stocks 1. Corporate Stock 2. Stock Broker and Stock Exchange 3. Common and Preferred Stock 4. Dividends 5. Mutual Funds B. Bonds 1. Corporate Bonds 2. Market Value 3. Yield 4. United States Bonds	XV. THE STUDENT SHOULD BE ABLE TO: A. 1. Define corporate stocks as stocks being held and distributed by a large corporation. 2. Given the necessary information, calculate with 90% accuracy the commission earned by a stock broker for selling 100 shares of a $22 stock and 40 shares of a $68 stock. 3. Differentiate the difference between common and preferred stock by defining preferred stock as stock whose owner gets first preference on company earnings while owners of common stock do not get this option. 4. Define stock dividends as money which many corporations pay out as part of their earnings to their stockholders. 5. Define a mutual fund as a company without fixed capitalization, freely buying and selling its own shares and using its capital to invest in other companies. B. 1. Define a corporate bond as a certificate of debt issued by a corporation which guarantees payment of the original investment plus interest by a specified future date. 2. Define market value as a price at which both buyers and sellers are willing to do business. 3. Given the yield of interest, calculate with 80% accuracy the amount of interest paid on a $100 bond which matures in 20 years. 4. List two advantages of saving by buying United States Bonds.	Concept Relationship of how mathematics is used in buying and selling stock to the job of the stock broker. Performance Objective Determine the commission of a stock broker on 250 stock shares purchased at 35 3/4 and sold at 44 1/8 (commission: (1) 1% of the intial purchase price, (2) 1% of the final sale price). General Information Students wishing extra activities should be encouraged to research other careers related to the stock market. Examples: 1. Securities Salesmen 2. Mutual Fund Salesmen 3. Clerical Positions 4. Receptionists 5. Investment Counselors 6. Investment Advisors 7. Security Analysts Approximately 180,000 people were employed in the brokerage business in 1971. Brokers handle orders to buy and sell securities. They also counsel people on what stocks to buy and sell. The brokerage industry needs more well-trained brokers. The average salary for brokers is approximately $15,000 a year (a combination of a salary and commissions on sales).

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
XV. A. Use audio-visual material which is available on stocks. Ask selected students to bring local stock reports to class for discussion. Request a stock broker or other employee of a brokerage house to speak to the class. B. Present duplications of typical bonds for sale. Use both corporate bonds and United States savings bonds. Stress that when a person purchases bonds he is loaning money to the corporation involved. Use audio-visual material which is available on bonds.	Career Harlandale Audio-Visual Center Stocks; filmstrip -- AA-69 The Financial Market Place Series; cassette tapes with filmstrips -- cas. T-7 (BB-22) through cas. T-9 (BB-27) Stockbroker; cassette tape -- cas. T-48	

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
		Teaching Activity Suppose you are a broker and need to determine how much money was earned on 250 stock shares which were bought at 35 3/4 and sold at 44 1/8. Find your commission by calculating 1% of the intial purchase and adding 1% of the final sales price. Purchase Price: 250 shares at 35 3/4 250 X $35.75 = $8,937.50 Commission on Purchase: $8,937.50 X .01 = $89.38 Sales Price: 250 shares at 44 1/8 250 X $44.125 = $11,031.25 Commission on Sale: $11,031.25 X .01 = $110.31 Profit: $11,031.25 - $8,937.50 = $2,093.75

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
XVI. Consumer Credit A. Significance	XVI. THE STUDENT SHOULD BE ABLE TO: A. List two ways which consumer credit has aided the American economy.	Concept Relationship of how overdue bills are calculated and collected to the job of the credit collector. Performance Objective Given the monthly payment and late payment charge of a bill which is overdue three months, calculate the amount owed. General Information Students wishing extra activities should be encouraged to research other careers in consumer credit. They may wish to compile and analyze material on work done by the job involved. Credit activity has skyrocketed in recent years. The credit industry is expected to continue growing at a healthy rate. The demand for skilled collectors should remain fairly constant in the foreseeable future. Beginning credit collectors earn from $70 to $80 a week. Extremely capable agency collectors earn from $8,000 to $10,000 a year. High school students wishing to become a credit collector should receive at least a high school diploma. Business experience and college-level courses are essential for any collector who wishes to advance in the field. Helpful courses of study are economics, money
B. Sources and Costs	B. After investigation of rates of interest determine by calculation with 90% accuracy where the cheapest consumer credit may be obtained (commercial banks, finance companies, and credit unions).	
C. Wise Use of Credit 1. Establishing a Credit Reputation	C. 1. List with 90% accuracy the following methods of establishing credit: (a) obtain non-credit references (b) obtain a steady job (c) receive credit in small amounts (d) repay as agreed	
2. Protecting a Credit Record	2. List with 90% accuracy the following methods of protecting a credit record: (a) keep a family budget (b) contact creditor before payment is overdue (c) deal with a reputable credit agency (d) consult a lawyer in case of problems	

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
XVI. A. Request a speaker from the office for consumer services to speak to the class. Write the consumer services bureau for free pamphlets and brochures available on consumer credit. B. Ask a resource speaker from a local credit union to speak to the class on the benefits and services of a credit union. Ask the class to research by calling local banks, finance companies, and credit unions the rates of interest charged by each firm. C. 1. Discuss with students the methods of establishing a credit reputation. Ask the students if any of them have established credit. Students who have established credit should be asked to report to the class their method of attainment. 2. Contact the Bureau of Consumer Protection for available material on consumer protection. Stress that a consumer has the right to examine his credit record. Also inform the student that so called "stale" information is removed from a consumer's credit report by law in a specified period as follows: Bankruptcy -- 14 years Suits or judgements -- 7 years or at the expiration of the statute of limitations, whichever is longer	Career Harlandale Audio-Visual Center Financing Business through Credit; transparency -- TP-97 For Additional Information on Consumer Credit Careers American Collectors Association, Inc., 5011 Ewing Avenue South, Minneapolis, Minnesota 55410. Associated Credit Bureaus of America, Inc., 6707 Southwest Freeway, Houston, Texas 77036. International Consumer Credit Association, 375 Jackson Avenue, St. Louis, Missouri 63130.	

continued

CURRICULUM CONCEPTS	CURRICULUM PERFORMANCE OBJECTIVES	CAREER CONCEPTS, PERFORMANCE OBJECTIVES, GENERAL INFORMATION, AND TEACHING ACTIVITIES
		and banking, business communications, sociology, applied psychology, and accounting. Teaching Activity The credit collector is a person who reminds the forgetful, tries to help those having badluck, and tracks down the dishonest who will not pay. He must be aggressive, but he must be tactful, courteous, and understanding. Many business wait 90 to 120 days before forcing the debtor to pay, give up merchandise, or go to court. The first step a credit collector takes is usually to send a letter which informs the debtor of his obligation. In writing this letter he must calculate how much is owed. In one case a person is three months behind on his house payment of $127 a month with a late charge of $6 per month. Solution: 3 X $127 = $381 3 X $6 = $18 $381 + $18 = $399 owed If this letter does not obtain results, usually several more strongly worded statements are sent and sometimes personal contact is made by phone or in person.

SUGGESTED TEACHING METHODS CAREER AND CURRICULUM	AUDIO-VISUAL AND RESOURCE MATERIALS	TEACHER COMMENTS
Paid tax liens -- 7 years Past due accounts -- 7 years Arrest, indictment or conviction of a crime -- 7 years from date of disposition, release or parole Any other adverse information -- 7 years Refer to the appendix of this guide for further information on consumeration. (pages 3-39)		

AUDIO-VISUAL SOURCE INFORMATION

TITLE	TYPE	SOURCE	TIME	COLOR OR B/W
A Direction for Tomorrow	record FS	Bowmar		C
Advertising Worker	MT	Guidance Associates		
Applying for Social Security Coverage	TP	3 M		
Banker	cas. T.	Educational Progress Corp.		
Bank Tellers	record FS	Bowmar		C
Commercial Pilot	cas. T.	Educational Progress Corp.		
Dental Hygientist	cas. T.	Educational Progress Corp.		
Dietician	cas. T.	Educational Progress Corp.		
Economics in Business Series	TP	3 M		
Federal Taxes	FS	Singer/SVE		C
Financing Business through Credit	TP	3 M		
High School Teacher	cas. T.	Educational Progress Corp.		
How Clothing Is Made-The Story of Mass Production	16 mm	Film Associates of California	14 min.	C
Insurance	FS	Singer/SVE		C
Insurance Agent-Broker	MT	Guidance Associates		
Insurance Salesman	cas. T.	Educational Progress Corp.		
Interest-Borrowing and Investing	FS	Singer/SVE		C
Jobs in Health Service Series	record FS	Coronet		C
Real Estate Appraisers	record FS	Bowmar		C
Realtor	cas. T.	Educational Progress Corp.		

AUDIO-VISUAL SOURCE INFORMATION

TITLE	TYPE	SOURCE	TIME	COLOR OR B/W
Salesman	cas. T.	Educational Progress Corp.		
Social Security Application Form	TP	Tecnifax		
Stewardess	cas. T.	Educational Progress Corp.		
Stockbroker	cas. T.	Educational Progress Corp.		C
Stocks	FS	Eye Gate House		C
The Financial Market Place Series	cas. T. FS	Eye Gate House		C
The Nurses Aid	FS	Eye Gate House		
Your Future as a Bank Teller	MT	Guidance Associates		
Your Future as a Commercial Airlines Stewardess	MT	Guidance Associates		
Your Future as a Dental Technician	MT	Guidance Associates		
Your Future as an Insurance Salesman	MT	Guidance Associates		
Your Future as a Real Estate Salesman	MT	Guidance Associates		
Your Future in Selling	MT	Guidance Associates		

APPENDIX

Money Management and Preparing a Budget

Example Budget of Income and Expenses
January 1, 19-- to January 15, 19--

Estimated Income:	
Cash on Hand	$ 2.25
Salary	104.86
Total Estimated Income	$107.11
Estimated Expenses:	
Savings	20.00
Room and Board	30.00
Busfare	8.00
Lunches	6.00
Clothing	10.00
Vacation Fund	8.00
Personal Grooming Needs	4.75
Potential Medical Examinations	4.00
Gifts	2.50
Entertainment	6.00
Miscellaneous Items	5.00
Total Estimated Expenses	$104.25
Cash on Hand (end of budget period)	2.86

The above illustrates an example of a budget plan. Let the students make a budget of their own using the information given below.

Leo Buchanan, a high school senior, is planning a budget for the pay period of March 1, 19-- to March 15, 19--. Leo will have the following income: Cash on hand $12.68 and a pay check for $42.35.

Leo expects to have the following expences: Savings $15.00. Transportation $4.00, Lunches $4.00, Clothes $10.00, Grooming Needs $3.50, Haircut $2.25, Entertainment and Recreation $10.00 and Miscellaneous Items $5.00.

Help Leo prepare a budget like the one above for the forthcoming budget period.

SAVINGS ACCOUNT

FIRST NATIONAL BANK

Date March 4 19--

Deposit To The Credit Of

Savings Account No. 6345

NAME Helene Scott

ADDRESS 301 Creath

		DOLLARS	CENTS
CURRENCY		43	00
COIN			98
CHECKS	1	12	27
	2		
	3		
	4		
	5		
TOTAL		56	25
LESS CASH		0	00
TOTAL PAYMENT		56	25

Filling out a Deposit Slip for a Savings Account

Helene Scott must fill out a deposit slip each time she deposits money in her savings account. Study the deposit slip which is shown above. Answer the following questions about the information given on the deposit slip.

1. What is the deposit date? _____

2. What is the number of the savings account? _____

3. What is the depositor's complete name? _____

4. What is the address of the depositor? _____

5. How much money was deposited in currency? _____ coins? _____ checks? _____

6. How many checks were deposited? _____

7. What is the total amount of this deposit? _____

The Significance Of Consumer Credit

INTRODUCTION

The United States has been characterized both as an "affluent society" and as a "consumer-oriented economy." Certainly there is in no other nation today a higher material standard of living nor an industrial sector more dependent upon the preferences—expressed by purchase—of consumers. Both statistical fact and personal observation not only confirm these characterizations, but also indicate that both will become more true in the future. In short, in no other society does the average individual or household possess a greater command over goods and services or a wider freedom of choice.

It would be an oversimplification to attribute our economic well being solely to the consumer sector of our society, or to a single institution, such as consumer credit. Factors such as natural resources, skilled labor and management, education, and many others have played and continue to play important roles. At the same time it would be short-sighted to slight the role the consumer and the institution of consumer credit have played and continue to play in both our society and our individual lives.

There are many definitions of the word "credit" in existence. One of the simplest (as well as most general) is that of the nineteenth century English economist, John Stuart Mill, who stated simply that credit is purchasing power. A more modern—and in some ways, a more useful—definition of the term "credit" is . . . "the ability of an individual . . . to obtain present values (money,

goods, or services) while deferring payment, usually in the form of money, to a definite future time."[1] When the word "consumer" is added to "credit", thus defined, it implies that the values (money, goods, or services) acquired are ultimately for consumption purposes, either currently or over a period of time, as opposed to business or investment purposes, including the acquisition of real estate.

When defined in this way it can be seen that consumer credit is a fairly simple term embodying an important idea that is significant not only to business and the economy in general, but also of great importance to individual consumers. If nothing else, it is all pervasive. Few, if any adults in the United States have never used consumer credit. The gasoline credit card, the department store charge account, the installment contract for the purchase of an automobile are all common examples of the use of consumer credit. Used wisely, consumer credit is not only a convenience to the individual, but also a means of improving his standard of living. Used unwisely, its results may range from family bickering and hard feelings to personal bankruptcy.

In short, consumer credit is an aspect of our economy and our business system which touches the lives of each of us. The following pages will be devoted to examining consumer credit in terms of its significance in our economy, the forms it takes and the institutions involved with it, the financial aspects of its use by individuals, and the many legal rights and obligations involved in its use.

THE ECONOMIC AND SOCIAL SIGNIFICANCE OF CONSUMER CREDIT

THE MAGNITUDE OF CONSUMER CREDIT

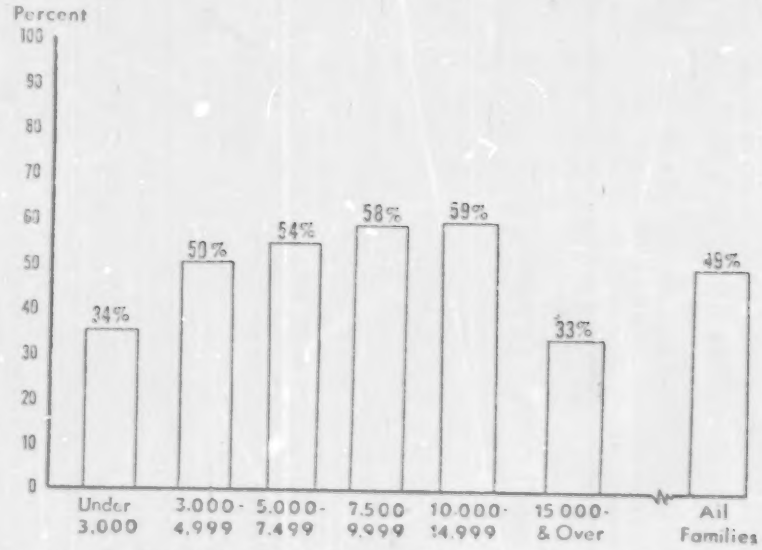
There is no doubt that consumer credit is an important element in our economic and financial system. Figures published by the Board of Governors of the Federal Reserve System show that, at the present time, total consumer credit outstanding exceeds $110 billion. In terms of averages, this is more than $1,600 for every household in the United States. Currently more than $8 billion worth of consumer credit (or more than $120 per household) is

[1] Albert F. Chapin and George E. Hassett, Jr., *Credit and Collection Principles and Practice* (7th Ed.), New York, McGraw-Hill, 1960, page 4.

efficiently, it also permits a family to plan and budget over a period of months and years, rather than days and weeks, and thus helps them use their long term income more effectively.

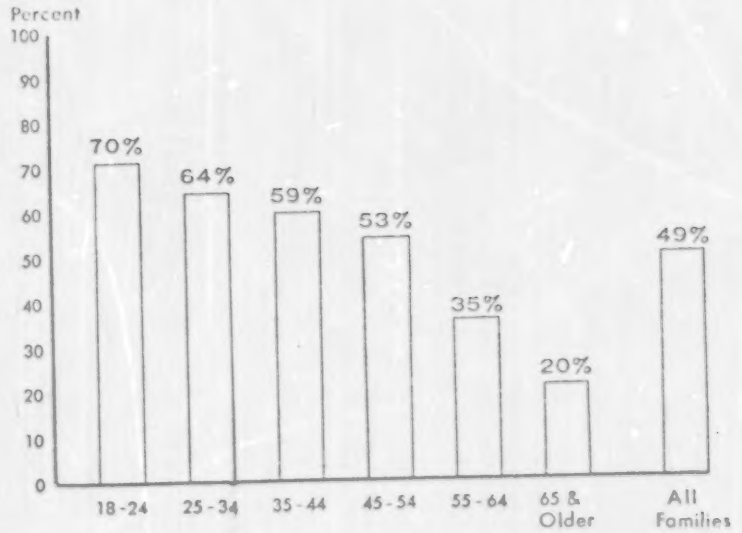
As important as consumer credit is to our economy and our society, it can be effective and beneficial only if the individual understands it and uses it wisely. In order to understand and use consumer credit wisely, we must now consider its forms and sources, how it is acquired and what it costs, and the many legal factors which affect its use.

Figure I-4: Percent of Families Using Consumer Credit, By Income



Source: S. Lees Booth , Finance Facts Yearbook 1965, National Consumer Finance Association, Washington, D.C. p. 46

Figure 1-5: Percent of Families Using Consumer Credit, By Age



Source: Booth, op. cit., p. 47

SOURCES AND HOLDERS OF CONSUMER CREDIT

Although retail stores, individuals, and institutions providing services to consumers are the most frequent originators of consumer credit, the credit itself is most commonly held by a financial institution. When a retail store sells goods to a customer on credit, it is possible (and common) for the store to "sell the paper"—legally transfer the customer's obligation to pay—to some one else, such as a bank or finance company. The store does this to get the cash it needs to continue its business, since few retailers have sufficient capital to carry their own consumer credit for more than a few months. As one might expect, this practice is most common where installment credit is concerned or in examples of non-installment credit when there may be a long time period before payment is expected (as in the case of some medical bills).

In addition, the retailer who "sells his paper" normally must pay something to do so since, from the standpoint of the buyer, purchasing "paper" is comparable to making a loan. Such payment is frequently accomplished by "discounting" the paper: the retailer sells the customer's obligation to pay to the bank for less than its full face value. Thus, if a customer has agreed to pay a total of $100 in ten equal installments, the store may for example, transfer this obligation to its bank in exchange for $96 in cash, which it may need to pay its own current obligations or to replace inventory. The amount of the discount is determined by a number of factors, the more important ones being the current level of interest rates, the credit reputation of the original customer, and the degree to which the store is willing to guarantee that the customer will pay as agreed.

In some cases, the same end is achieved, but the process of "selling paper" is avoided by making it possible for the customer to borrow directly from a financial institution on the premises of the retail store or in the office of the person providing a service. For example, a sales finance company may have a representative at a desk in an auto dealer's show room, and applications for a loan are often available in doctors' and dentists' offices.

COMMERCIAL BANKS

Commercial banks are not only the most important single type of holder, but also are important sources of almost every type of consumer credit. This is a part of what is meant when commercial banks advertise that they are "department stores of finance," and is a reflection of the fact that in terms of dollars commercial banks are the most important financial institution in the United States. At the present time, there are almost 14,000 commercial banks, with total assets of almost $450 billion in this country. In addition, commercial banks (more commonly called simply "banks") are the most familiar financial institutions for most Americans; almost every town has one or more usually named the " National Bank" or the " State Bank." They engage in accepting and holding the savings deposits and checking accounts of their customers, and at the same time, lending the funds deposited with them to other customers for almost any worthwhile purpose. Although loans to businesses are the most important part of their lending activities, in terms of total dollars loaned, consumer credit is a substantial part also. Since they usually charge higher interest rates for consumer credit than they do for business loans, consumer credit is considered a profitable and desirable type of lending by many bankers, even though the expenses associated with consumer credit are considerably greater.

FINANCE COMPANIES

Sales finance companies are another very important source of consumer credit, especially in the installment area. Among the more widely known are Associates Discount, Ford Motor Credit, General Motors Acceptance Corporation (GMAC), Commercial Credit Corporation, Great Western Finance, and Universal Credit Corporation. Like commercial banks, they are privately owned by and attempt to earn a profit for their stockholders and are engaged in the business of making loans to both consumers and business firms. Unlike banks, they rarely engage in other forms of lending (such as mortgage loans) and they offer no checking accounts or savings deposits to their customer. Instead, they acquire the funds they lend through the sale of stock and bonds to investors and by borrowing from other financial institutions.

The lending activity of sales finance companies emphasizes consumer credit which accounts for almost two-thirds of their

lending business. In addition, they tend to concentrate on automobile and other consumer goods installment credit, which normally equals more than one half of all their outstanding credit.

Consumer finance companies, on the other hand, concentrate most heavily on making personal loans to consumers; almost one-third of the personal installment loans outstanding in the United States are made by consumer finance companies. Otherwise, they are similar to sales finance companies in that they are owned by stockholders and financed by stock, bonds, and loans from other financial institutions.

Consumer finance companies are typified by such nation-wide firms (with literally thousands of offices) as Household Finance and Beneficial Finance, as well as a number of other chains (such as Dial Finance, and Pacific Finance) and many smaller locally owned and operated finance companies. In spite of the tendency of sales finance and consumer finance companies to concentrate on specific types of consumer credit, it should be noted that neither group is exclusive in terms of the types of credit it extends. Consumer finance companies often make auto and furniture loans, and, vice versa, sales finance companies often make personal cash loans to their customers.

FINANCE COMPANIES AND THE EVOLUTION OF CONSUMER CREDIT

Historically, sales finance companies and consumer finance companies were the pioneer financial institutions in the field of consumer credit. Fifty years ago (in 1919) almost eighty percent of all consumer installment credit was held by the retailers who had originated it. Seventy-five percent of the installment credit held by financial institutions was in the hands of sales finance and consumer finance companies. Commercial banks held less than three percent of the total installment credit outstanding (See Figure II-3).

Sales finance and consumer finance companies, as progressive lending institutions, grew rapidly in importance by responding to the needs of American consumers. On the one hand, consumers frequently needed loans and installment credit. Retailers were limited in the amount of credit they could supply; they simply did not have enough capital to run their retail business and sup-

ply vast amounts of credit, too. The options available to the consumer were few. If he wished to make a major purchase—an automobile, or furniture, for instance—he often had to wait until he could save up most or all of the price. If an emergency occurred, and he had to have money for medical payments, for instance, he could try to borrow from friends and relatives. If they had no extra cash either, his only recourse was to loan sharks, who usually charged twelve hundred percent (1200%) or more in interest. Banks of the time often refused to make consumer loans unless the borrower was already an important customer of the bank.

Consumer finance companies were started (typically under state regulation) to make loans to consumers for worthwhile purposes at rates of interest they could afford. They were immediately popular. It is interesting to note that many of the early consumer finance companies were begun as a means of social reform, designed to help raise the standard of living of the average working man. Many of those involved in the origination of the consumer finance movement (in which the Russell Sage Foundation played an important part) were dedicated philanthropists and idealists.[2]

Sales finance companies originated as a means of supplying credit for the increasing demand for automobiles. Again, established financial institutions were not especially interested in making loans to consumers for the purchase of automobiles. The relatively new consumer finance companies were committed to making small personal loans. As a result sales finance companies were formed to supply funds for the auto loan market and grew rapidly with it.

As consumer finance companies and sales finance companies demonstrated, over the years, that the average American consumer was a good credit risk and that there was nothing dangerous in making loans to him, other financial institutions—such as commercial banks—became more interested in making such loans. It was many years, however, before banks became more important lenders to consumers than sales finance and consumer finance companies were. By 1942 commercial banks held more installment credit than did sales finance companies, but as recently as 1959 sales finance companies held more automobile credit than did their banking competitors.

At the present time consumer finance and sales finance companies continue to be important sources of consumer credit. Since

[2]For an interesting account of the origin and growth of consumer finance, see Irving Michelman's *Consumer Finance: A Case History in American Business*, New York, Frederick Fell, 1966.

they may be more liberal than banks in their lending practices, although their interest charges may be higher over all, they are apt to continue to be important sources of consumer credit.

CREDIT UNIONS

Among the other sources of consumer credit, credit unions are one of the most important. In essence, a credit union is a financial cooperative. Persons with something in common (typically, their employment) are eligible for membership. As members of credit unions, they can deposit savings with the credit union, on which they earn interest, and can borrow from the credit union. Members' savings provide the funds which credit unions have available to lend to their members. The interest that borrower-members pay on loans is used to pay the expenses of the credit union as well as interest on the savings accounts. Practically all of the loans made by credit unions are for consumer credit purposes.

The first credit union in the United States was organized in 1909. Their most significant growth, however, has occurred since World War II. It is estimated that, at the present time, almost ten percent of the total population of the United States are members of credit unions. As a source of consumer installment credit and loans, they are third in importance, but may become even more significant. Over the last ten years the dollar amount of their installment credit outstanding has been growing more rapidly than that of either commercial banks or sales finance companies.

CONCLUSION

Commercial banks, sales finance companies, credit unions, and consumer finance companies together hold eighty-five percent of the consumer installment credit and loans outstanding. More than ten percent of the remainder is held by the retail outlets that originally extended the credit (more than half by department stores and mail order houses). The remaining portion (less than five percent) is held by a variety of financial institutions, such

as mutual savings banks, industrial banks, Morris Plan banks, and savings and loan associations. Most of these institutions are not involved in consumer credit in all of the fifty states, and many hold consumer credit only because of the special laws of one or more states. However, where they do operate, some of these institutions are important suppliers of consumer credit.

Thus, although local circumstances may include other major suppliers of consumer credit, in general there are five principal sources available to the consumer:

1. the retail store from which he purchases
2. commercial banks
3. sales finance companies
4. credit unions
5. consumer finance companies.

As we have seen, there are apt to be limitations on the use of most of these sources. The consumer must be a member of a credit union to borrow from it. Retail stores typically extend credit only for the goods or services they sell. Sales finance companies tend to concentrate on the financing of consumer durables. Consumer finance companies tend to concentrate on personal loans and on some types of consumer durable. Only commercial banks offer practically every type of consumer credit. All these sources prefer to extend credit to consumers who show that they know how to use their credit wisely.

In this chapter we have considered the various types of consumer credit available and the sources of consumer credit. In the next, we shall examine aspects of consumer credit that are important to the consumer if he is to use any of these types of credit, extended by these several sources, effectively and wisely.

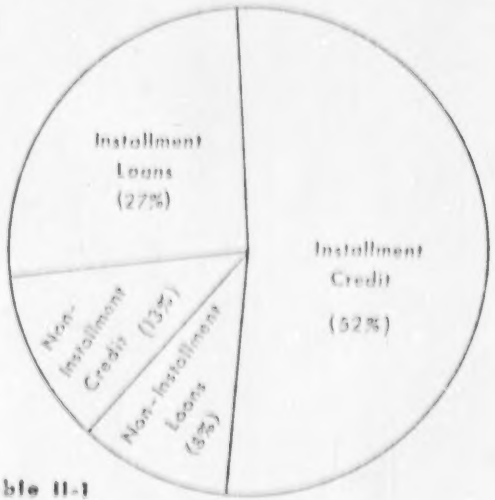
Table II-1 Categories of Consumer Credit ,December, 1968

($ in billions)

	CREDIT		LOANS		TOTAL	
	$	%	$	%	$	%
INSTALLMENT	59.0	52	30.9	27	89.9	79
NON-INSTALLMENT	14.2	13	9.1	8	23.3	21
TOTAL	73.2	65	40.0	35	113.2	100

Source: Federal Reserve Statistical Release, G.19, Feb. 4, 1969

Figure II-1: Categories of Consumer Credit, December, 1968



Source: Table II-1

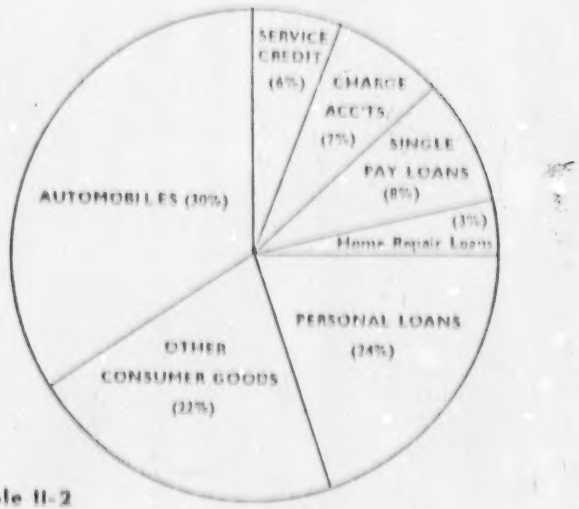
Table II-2: Uses of Consumer Credit, December, 1968

($ in billions)

USE	AMOUNT($)	PERCENT
Automobiles	34.1	30
Other Consumer Goods	24.9	22
Home Repair Loans	3.9	3
Personal Loans	27.0	24
Total Installment	89.9	79
Single Payment Loans	9.1	8
Charge Accounts (inc. credit cards)	7.8	7
Service Credit	6.4	6
Total Non-Installment	23.3	21
Total Consumer Credit	113.2	100.0

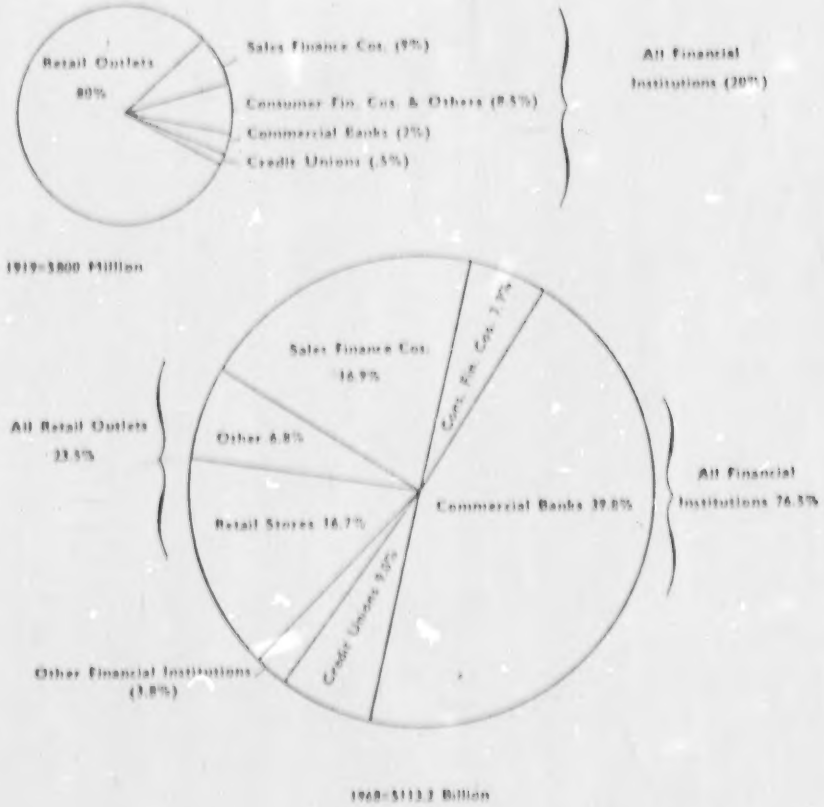
Source: Federal Reserve Statistical Release, G.19, Feb. 4, 1969

Figure II-2: Uses of Consumer Credit, December, 1968



Source: Table II-2

Figure II-3: Holders of Consumer Credit: 1919 and 1968



Sources: Table II-3; and Supplement to Monetary and Banking Statistics Section 16 (new): Consumer Credit

Table II-3: Holders of Consumer Credit, December 31, 1968

($ in billions)

	Commercial Banks	Sales Finance Cos.	Other Fin. Inst. (Total)	Credit Unions	Consumer Finance Cos.	Other (Inc. Credit Cards)	Retail Stores	Total
INSTALLMENT								
Automobile	19.3	10.0	4.4		.1		.3	34.1
Other Cons. Gds.	6.1	4.8	1.1		.8		12.1	24.9
Home Repair Loans	2.7	.1	1.1					3.9
Personal Loans	8.9	3.3	6.8		8.0			27.0
SUB-TOTAL	37.0	18.2	3.2	10.2	8.9	—	12.4	89.9
Percent	41.2	20.3	3.5	11.3	9.9		13.8	100.0
NON-INSTALLMENT								
Single-Pay Loans	8.0		1.1					9.1
Charge Accts.							6.5	6.5
Service Credit						6.4		6.4
Credit Cards						1.3		1.3
SUB-TOTAL	8.0	—	1.1	—	—	7.7	6.5	23.3
Percent	34.4	—	4.7			33.0	27.9	100.0
TOTAL	45.0	18.2	4.3	10.2	8.9	7.7	18.9	113.2
Percent	39.8	16.0	3.8	9.0	7.9	6.8	16.7	100.0

Sources: Federal Reserve Bulletin, Feb. 1969, pp. A-52, A-53; and Federal Reserve Statistical Releases for Dec. 1968, Nos. G.19 and G.22

COSTS AND CHARGES

COMPUTATION AND COMPARISON

The vast majority of American consumers have both the capacity and character to qualify them as desirable consumer credit customers. For them the basic credit question should be not "Can I get credit?" but "How much will it cost me?" Many recent studies, including a number reported in hearings before the United States Congress, have shown that far too many people are either ignorant of or unconcerned with the cost of the consumer credit they use. Even when credit costs and charges are stated clearly, many do not take the time to evaluate them and later do not understand, or in some cases, even remember what they are.

Although consumers are in part to blame for their lack of knowledge in this area, a large part of the confusion has arisen from the variety of ways of quoting rates and charges that exist, and from the activities of a few greedy and unscrupulous lenders.

Interest, in its simplest definition, is the cost of hiring money—the rental fee for the use of money. Consumers may be charged interest either on the money they borrow as a loan, or on the monetary value of the goods they buy on credit. In either case, the cash borrowed or the cash price of the goods or services bought on credit are considered to be the principal amount of a loan. The amount that they pay in addition to that principal amount is the cost of the loan from the standpoint of the consumer.

SIMPLE INTEREST

The most familiar form of interest is "simple" interest—the amount (usually expressed as a percentage) that is paid for the use of a given sum of money for a given period of time. Thus, if $1,000 is borrowed for one year and the simple interest charge is six percent, then, at the end of the year the borrower will repay $1,060. However, interest rates or charges are not always quoted in terms of simple annual interest, as in the example above. It should be emphasized that variations in quoting interest charges do not normally occur because of any intention of deceiving the customer. Instead, other types of quotations are customary for certain types of loans, and in many cases, the method of quotation is intended to make the actual dollar charges and the method of calculating charges clearer to the customer. For the sake of explanation, however, in discussing these alternatives we will attempt to relate them to simple annual interest so that the reader has a familiar basis for comparison.

A common practice, especially on retail charge accounts, is to quote interest, or "service charges" in terms of monthly simple interest. This makes sense, when it is realized that most customers are apt to be most interested in discovering what it is going to cost them if they defer payment on their account for another month. They are apt to be much less interested in knowing what the equivalent interest charge would be on a one-year loan. However, the customer may be misled if he thinks that a monthly charge is equivalent to an annual charge. For monthly simple interest to be equated with annual simple interest, the monthly figure must be multiplied by twelve, the number of months in a year. Thus "one-and-one-half percent per month" is equivalent to eighteen percent simple annual interest. Similarly, interest may be

quoted on a period of time greater than a month but less than a year. If this is done, it may again be necessary to convert the charge to simple annual interest for the sake of comparison. Thus "three percent for three months" is equivalent to twelve percent simple annual interest (three percent multiplied by four, the number of three month periods in a year).

DISCOUNTING

Discounting is another method of computing interest that is apt to prove confusing to those who are familiar only with simple interest. It is used most commonly in figuring the charges on small personal loans made by banks and consumer finance companies. When discount interest is charged, the interest is deducted from the principal amount of the loan and the balance given to the borrower. When the loan matures, the borrower repays the full amount of the principal. For example, if $100 is borrowed at an annual discount of eight percent for a period of six months the borrower will receive $96. (Eight percent of one hundred is eight dollars, but since the loan is for half a year, the charge will be half of eight, or four dollars.) Six months later, he will repay $100. Although the discount is eight percent, the equivalent simple annual interest is eight and one-third percent. The borrower received only $96, for which he paid $4. As simple interest on $96, $4 is four and one-sixth percent. Since there are two six-month periods in a year this figure must be multiplied by two, the result being that simple annual interest in this case is eight and one-third percent.

ADD-ON INTEREST

A fourth method of calculating interest—and in some ways the most difficult to convert to simple annual interest—is "add-on" interest, so called because of the method of computation. It is commonly used in calculating installment credit charges. The interest charge is calculated by multiplying the annual interest rate by the number of years the loan will be outstanding and then multiplying the product by the principal amount of the loan. This total charge

is then "added-on" to the principal, and the total amount divided by the number of months in which payments will be made to arrive at a monthly payment figure. Add-on rates are commonly quoted as "dollars per hundred per year."

To illustrate, let's assume that $2400 is borrowed at five percent add-on interest ($5 per $100 per year), to be repaid monthly over a two-year period. Five percent multiplied by two years is ten percent; and ten percent of $2400 is $240. Thus $240 is the total amount of interest to be paid. To determine the monthly payment, $240 interest is "added-on" to $2400 principal, giving a total of $2640, and $2640 is divided by 24 months to give a monthly payment of $110. In simple interest terms, however, this charge is almost ten percent, rather than five, since, although the principal amount is reduced on a monthly schedule, the interest payments made do not reflect this reduction.

If it is assumed that the monthly payments are composed of $100 in principal and $10 in interest, then the simple annual interest cost during the first month is five percent ($10 on $2400 principal). At the end of a year, however, the remaining principal balance is down to $1200, but the interest charge is still $10, the simple annual interest equivalent would be ten percent $(\frac{10}{1200} \times 12)$. In the final month, the remaining principal to be repaid is only $100, but interest charges remain $10; the simple annual interest rate here is 1200 percent $(\frac{10}{100} \times 12)$.

In most cases the easiest way to estimate the *average* simple annual interest rate equivalent to an add-on interest rate is to double the quoted add-on rate. Thus, the simple annual interest equivalent of the add-on rate in the example above is ten percent. (It should be noted that this "short cut" method provides an answer that is higher than the true average.)

A simple formula can be used to estimate more exactly the simple annual interest equivalent of an add-on rate.* Using the following symbols:

R = Average simple annual interest rate

p = Number of payment periods in a year (12, if monthly)

I = Add-on interest charge in Dollars

P = Principal amount borrowed (after down payment is deducted)

m = Number of payments to be made

then "R" can be calculated with the following formula:

$$R = \frac{2 \times p \times I}{P(m+1)}$$

Applying the formula to the example, we have:

$$R = \frac{2 \times 12 \times \$240}{\$2400\ (24+1)} = \frac{5760}{60{,}000} = 9.6\%$$

Add-on interest is used by banks, finance companies, and retailers on most installment loans for the purchase of automobiles or other durable goods. When an installment sales contract is used, a customer will be quoted a "time price" reflecting the added-on interest that will be charged. Although the formula may appear a little complicated at first, it is a good idea to remember it, or at least have it available because of the widespread use of add-on interest and because of variations in quoting add-on interest.

There is a final area of consumer credit in which it is often impossible to calculate an interest cost. Many forms of credit—such as charge accounts—may carry no quoted interest rate, and, of even more importance, the "time" price and the "cash" price may be the same. There is, of course, an interest cost to someone whenever credit is extended. In many cases in which it is not identified, it is actually borne by the seller, as one of his costs of doing business. In some cases, however, it may be borne in whole or in part by the customer. The only real way to determine if this is true is to discover if there is a difference between the price if credit is used and the cash price of the item at another store where credit

*The most accurate method of determining interest equivalents relies on more complicated actuarial formulae, such as those used by the Financial Publishing Co. in their *Financial Rate Translator and Guide to Legal Installment Sales Rates*, which is used by many lenders.

is not offered. If there is no difference, then from an economic standpoint, it is more profitable for the consumer to buy on credit than for cash.

DETERMINANTS OF CHARGES

A personal examination of the costs of credit in any part of the country will suggest that interest rates will vary rather widely, both with the type and amount of the credit involved, and over a period of time. A more thorough examination would show that rates vary somewhat with the individual customer also. There are several factors that are important in determining what it will cost a given customer for a given amount of credit.

The first of these factors, and the most basic, is the general interest rate, or the cost of money to the lender. Banks, for instance, must pay interest on savings deposits, and finance companies must pay interest on their bonds. The rates of interest that prevail nationally, which are determined by national economic forces, will ultimately affect the interest rates which consumers are charged for consumer credit. This effect, however, is apt to be much the same on all types and amounts of consumer credit and for all customers; if interest rates go up nationally, then all consumer credit rates are apt to go up also, and vice versa.

A second factor in determining the cost of consumer credit is the "administrative" factor. Simply, a part of the charge made for consumer credit reflects the lender's costs of doing business—the credit investigators, the clerks, the collectors, and the managers employed, plus a wide variety of office supplies and equipment that are needed. Such costs (in terms of dollars) tend to vary with the type of loan; an installment loan is more costly than a single payment loan, for instance, because more bills must be sent and more payments recorded. In percentage terms, administrative costs are higher for small loans than for large loans of the same type, since it requires about the same amount of employee effort and office supplies to set up and maintain a small loan as it does a large one. Thus, in general, the smaller a loan and the more complicated the loan provision, the greater the administrative cost of the loan is apt to be.

A third factor that helps determine the cost of consumer credit is the reliability or financial responsibility of the user of credit. It

is likely that a customer with a poor credit rating will be charged more than one with a good rating. If nothing else, the poor credit risk may take longer to pay and may require more collection effort. In some cases the type of merchandise being purchased or used as collateral may in itself suggest that the loan is risky. For instance, installment loans on older and lower priced used cars tend to carry higher interest rates than would be charged on newer cars simply because, on the basis of experience, lenders have found that they are more apt to have greater collection problems and more repossessions.

These three factors are the principal determinants of the cost of credit to the consumer. The loans and credit he requests will cost more or less depending on the general interest rates determined by the national economy, the administrative costs associated with the type of credit he seeks, and the riskiness inherent in the credit itself. These factors are generally independent of the source of credit; it is apt to cost a bank, for instance, just as much to administer an installment loan as it does a credit union or a sales finance company. If anything, it can be said that the more specialized, and in some cases, the larger the lender, the lower some of these costs are apt to be, although this cannot be made an absolute rule.

CHARGES AND SOURCES OF CREDIT

In addition to these three general factors it is not unusual to find situations in which the charges made for consumer credit differ between the sources of credit. There are few generalizations that can be made, however, concerning the relative costs of different sources of credit that hold true outside a given locality or a given set of circumstances. Many people believe, for instance, that bank rates are generally lower than the rates charged for consumer credit by other sources. This belief is about as valid—or invalid—as any such generalization. In some cases it is true; in others, not.

A number of scholars and researchers have made attempts to determine whether or not there are consistent differences in the cost of credit from different sources of consumer credit. It has been determined that, in general, the average rate of interest earned by banks on all consumer credit outstanding is usually lower than the average rates earned by sales finance and con-

sumer finance companies on all their consumer credit. Other studies have suggested that the reason for this difference is the fact that sales finance and consumer finance companies make more loans, proportionately, of the types that are high in administrative cost and high in risk than do banks. Similarly, banks tend to avoid making small (under $100) and high cost loans of a risky nature.

Because of these differences in the types of credit extended, data collected and analyzed on the basis of average rates are meaningless as guides to the consumer seeking credit. The only valid conclusion that can be drawn from these studies is that the individual consumer, seeking a specific type of consumer credit, may find that any of the three types of sources—banks, sales finance, or consumer finance companies—may be the cheapest and best source for him, depending on the desire of the source to make that type of loan and the way in which each source evaluates the consumer's credit worthiness.

Credit unions, the other major source of consumer credit, have generally been ignored in the studies referred to above because of the fact that they lend only to their membership and not to the general public and because of the difficulty of making generalizations about them. Because of their cooperative nature and because they are able to avoid some of the risks and expenses that are borne by other sources of credit, credit unions can, if they wish, be the cheapest source of credit available to their membership. Whether or not they are the cheapest source, however, depends upon the policies under which they operate. Some credit unions have established a policy of attempting to pay the highest possible dividends on their shareholder's accounts. In such cases, their charges for credit will be relatively high, comparable to or even higher than the charges made by other sources of consumer credit. Other credit unions have a policy of charging the lowest possible interest on loans and consequently are sources of the cheapest credit. The majority, apparently, fall somewhere between these two extremes, and thus are usually competitive in cost with other sources of consumer credit.

About the only conclusion that can be drawn realistically from an examination of the costs of credit from different sources is that it behooves the consumer to "shop" for credit just as he does for his other purchases. Depending upon the type of credit he seeks, he should ask each of the sources available to him for a quotation and should select the one that he considers best. It should be noted that from the standpoint of the consumer, the "best" source of credit—just as the "best" buy in anything else—is not necessarily the cheapest. Just as merchants compete with

each other in offering "bundles of utilities" to their customers, so do sources of credit compete with each other, especially in the offering of various services and conveniences. Some of these conveniences (or "utilities") may be worth a few dollars more in interest charges to the consumer. As in all such situations, each consumer must make the decision for himself. In any case, however, he should be aware of the costs as well as the benefits of the alternatives available to him if he is to make a wise decision.

THE WISE USE OF CREDIT

ESTABLISHING A CREDIT REPUTATION

The preceding consideration of the consumer credit process serves as a basis for determining several of the factors that are important to the consumer who desires to use consumer credit both effectively and wisely. As we have seen, the credit grantor's evaluation of a consumer's "character" is critical to his decision. It should be obvious that it is necessary for a consumer to establish and maintain a good credit reputation, as evidence of his "character," if he desires to use consumer credit.

From the consumer's standpoint, establishing credit initially is often the most difficult part of the consumer credit process. If one has never borrowed, never charged, never bought anything on credit, then how can the credit grantor evaluate his character? Fortunately, this problem is less severe (at least for adults) today than in the past. With reliable non-credit references and with a steady job it is possible to receive credit in small amounts from many retailers and to acquire credit cards from many oil companies. In addition, some consumers have actually borrowed money in order to pay it back promptly and thus establish a credit reputation. They view the relatively high cost of such loans as a cost of establishing their credit. In any event the best advice is to start small—it is easier to charge five dollars' worth of clothing or gasoline than it is to borrow $2,000 for a new car—and to pay promptly so that your creditor is willing to recommend you to others.

Teenagers, because they are legally minors, often find it more difficult to establish credit than adults do. In many cases they

will find it necessary to have an adult—an older relative for instance—with established credit to vouch for them or even to guarantee the credit they wish. New developments in credit—such as teenage charge accounts (which will be described in a later chapter)—make the establishment of a credit reputation much easier for teenagers than it has been in the past. In all cases, however, they will find it desirable to have good recommendations from their teachers, employers, and ministers.

Once begun, a credit reputation should be maintained if it is to be useful. In order to do so, the consumer must be careful to "pay as agreed." If payments are due on the first of the month, they should be made on or before that date, not a week or so later. Obviously if the consumer should fail to pay, permit a repossession of merchandise, take bankruptcy, or get into a situation in which suit is filed against him, these will reflect adversely on his "character."

CREDIT CAPACITY

A second general rule that not only will help a consumer maintain a good credit reputation but also will permit him to get the greatest benefit from his use of credit is related to the credit grantor's criterion of "capacity." Each consumer should evaluate his own capacity, determine his own financial limitations, and stay within them. Simply, he should live within his means. Credit grantors will try to estimate an applicant's capacity and will often refuse credit to one who does not have the capacity for it. The information they have, however, is less complete than that which the consumer has about himself. He can determine his own capacity much more accurately than any credit grantor can if he wishes to. Such a determination requires a little effort; ideally, the consumer and his family should draw up a rough household budget including both his take home income, his normal and regular expenses, and any special expenses (or a reserve for special expenses and savings) that he expects. In this way he can determine the amount of additional payments or charges that he can handle without cutting back on necessities, and without causing conflicts within the family over "money problems." If a consumer is aware of his financial limitations and refuses to go beyond them, he will find it easy to maintain a credit reputation, and (perhaps more

important) to reduce or avoid the bickering over money matters that may occur within the family. In short, a family budget, wisely prepared and wisely used, contributes immensely to the wise and effective use of consumer credit.

PROTECTING A CREDIT RECORD

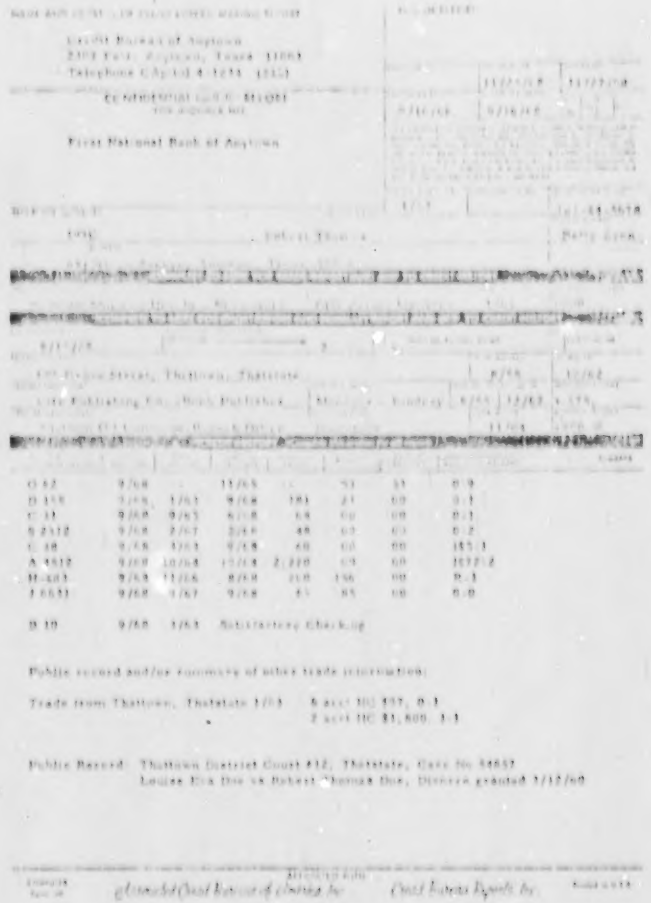
In spite of a desire to maintain a good credit reputation, and in spite of a realistic budget designed to keep the family within its financial limitations, unforeseen circumstances occasionally may make it difficult or impossible to pay a bill or make a payment on time. What happens then? As we can see in Part II, any of several legal problems can arise. Equally important, the family's credit reputation may be impaired. In the majority of cases, however, neither need occur. The consumer is best advised to contact his creditor and discuss the situation with him (if possible, before the bill or payment becomes overdue). All credit grantors are aware that such unforeseen problems can and do occur; most are sympathetic and desire to help their customers maintain their credit ratings, and work their way out of their current problems.

If anything, the consumer's willingness to keep his creditors informed of problems and to discuss solutions with them is a further indication of the good "character" of the consumer. On the other hand, if the consumer fails to consult with his creditors and fails to pay promptly his credit reputation may suffer and he may find himself confronted with legal problems. Such problems are easily avoided by the consumer who discusses his financial difficulties beforehand with his creditors.

The possibility of such problems arising suggests that the consumer should use some care in selecting the source of his credit. Even if no emergencies arise, in credit as in the purchase of other services and goods, it is wise to deal with reputable and trustworthy persons. Just as the credit grantor evaluates the "character" of the consumer, so should the consumer evaluate the "character" of those from whom he seeks credit. Size alone, or the amount of advertising done, is not a certain indicator of the desirability of dealing with a source of credit. Many cities have Better Business Bureaus which can serve as a source of information for the consumer. The experiences of relatives, friends, acquaintances, and especially the recommendations of a lawyer, are apt

to be equally helpful in making a decision. Basically, the consumer should look for a source of credit known for its honesty and fair dealing. The fact that a lender repossessed merchandise or sued a borrower who refused to pay (even if the borrower is a relative) should not be considered an adverse factor. (In some cases, it may be a good recommendation for the lender.) Instead the consumer should consider the lender's willingness to discuss and explain credit agreements and charges, its willingness and intelligence in assisting the consumer with his financial planning and problems, and its general reputation for fairness in the community.

Many of the recommendations that have been made on the last few pages appear to be contradicted when one reads or hears a certain type of advertising that is especially prevalent in large cities. Some business firms and lenders announce that "we will give you credit even if no one else will" or that "we specialize in lending to people who have been bankrupt and lost their credit ratings." Such statements are usually true; poor credit risks can find some sources of credit. In almost every case, however, there are special circumstances involved. Firms extending credit to very poor credit risks often do so only if there is sufficient collateral to ensure that they will not lose their principal and accumulated interest if the merchandise is repossessed and resold. Those who specialize in lending to bankrupts do so with the knowledge that a person who has filed bankruptcy cannot do so again for a period of six years. If the borrower has gone bankrupt recently, the lender is sure that he cannot do so again in the near future and that his loan (if it matures soon enough) is free from this risk. In most of these "poor credit" or "bankrupt" cases the credit grantor feels justified—and in truth is justified—in charging the highest possible rates of interest because of the risk he is assuming. The truth of the matter is that if the consumer wishes to avoid very high interest rates and a severe limitation on his sources of credit, he should use his credit wisely and maintain his credit reputation.



Credit Bureau of Anytown
2303 Fair, Anytown, Texas 11063
Telephone CApitol 4-1234 (215)

CONFIDENTIAL CONSUMER REPORT
FOR ADVANCE NO.

First National Bank of Anytown

O 62	9/68	-	11/65	-	51	51	0-9
D 155	9/68	1/63	9/68	181	21	00	0-1
C 11	9/68	9/65	6/68	68	00	00	0-1
S 2312	9/68	2/67	2/68	48	00	00	0-2
C 38	9/68	3/63	9/68	60	00	00	1$5-1
A 4512	9/68	10/64	10/64	2,220	00	00	1$72-2
H-403	9/68	11/66	8/68	200	156	00	0-1
J 6631	9/68	3/67	9/68	65	85	00	0-0

B 10 9/68 1/63 Satisfactory Checking

Public record and/or summary of other trade information:

Trade from Thatown, Thatstate 1/63 6 acct HC $37, 0-1
2 acct HC $1,800, 1-1

Public Record: Thatown District Court #12, Thatstate, Case No 54857
Louise Eva Doe vs Robert Thomas Doe, Divorce granted 3/12/60

Attended Credit Bureau of Anytown, Inc. Credit Bureau Reports, Inc.

CONCLUSION

From our consideration of what is necessary if a consumer is to use consumer credit wisely, it can be concluded that, in addition to desire, knowledge is essential. The consumer must be informed if he is to use credit in the way that is best for him. He must be aware of the various types of credit that are available, and the sources from which he can secure credit. He needs to know something about the credit granting process, how to calculate the cost of credit, and how such costs are determined. Finally he must be aware of what he himself should do if he is to acquire and use his credit effectively and beneficially. These topics have been examined in this and the preceding chapter.

As a guide to the buyer on what charges are being made, a typical "portion" of the retail installment contract showing such charges (in conformity with the law stated above) is illustrated below.

PLUS	CASH PRICE (MDSE.)	$
PLUS	SALES TAX	$
	A CASH SALE PRICE	$
LESS	MDSE. TRADE-IN $	
LESS	DOWN PAYMENT $	
	B UNPAID BALANCE OF CASH PRICE	$
PLUS	TOTAL INSURANCE $_____	
PLUS	C OTHER CHARGES AS ITEMIZED OFFICIAL FEES $_____	$
	D UNPAID BALANCE	$
LESS	PREPAID FINANCE CHARGE $	
LESS	REQUIRED DEPOSIT BALANCE $	
	E AMOUNT FINANCED	$
	F FINANCE CHARGE	$
	G TOTAL PAYMENTS E + F *	$
	H DEFERRED PAYMENT PRICE A + C + F	$
	I ANNUAL PERCENTAGE RATE _____	%

* DIVIDED BY NO. OF PAYMENTS = AMOUNT OF EACH PAYMENT

The annual percentage rate will be one of the bases by which the retail installment buyer will be able to shop for the best credit terms.

APPENDIX A

[illegible]

Article 5.02
Retail Installment

[illegible]

RETAIL INSTALLMENT CONTRACT—GOODS & SERVICES & SECURITY AGREEMENT
Consecutive & Substantially Equal Monthly Installments
Truth In Lending Act Disclosure

[illegible]

Description of Goods and Services	N. or U.	Model	Serial No.	Price

Sales Tax ____
TOTAL ____
Description of Trade-in ____ To be installed/kept at ____

Total of payments shown on line 11 of Disclosure Column is payable to SELLER at SELLER'S address, or any other place in the State of Texas designated in writing by the owner and holder of this Contract in ____ monthly installments of $____ each, commencing the ____ 19____ and on the same day of each month thereafter with the remaining unpaid balance being due ____ 19____. Buyer hereby grants to SELLER a security interest in goods and services.

[illegible]

Disclosure Column

1 $____ Cash Price
$____ Cash down payment
$____ Trade-In
2 $____ Total down payment
3 $____ Unpaid balance of cash price (1 less 2)
4 $____ Total of other charges (Itemized below)
5 $____ Unpaid balance (3 plus 4)
$____ Prepaid FINANCE CHARGE
$____ Required deposit balance
6 $____ Total prepaid FINANCE CHARGE and required deposit balance
7 $____ Amount financed (5 less 6)
8 $____ FINANCE CHARGE
(description of each)
____
____
9 $____ Deferred payment price (1 plus 6 plus 8)
10 ____ % ANNUAL PERCENTAGE RATE
11 $____ Total of Payments
Itemization of other charges included in the amount financed but not part of FINANCE CHARGE:
a. Recording fees:
$____
$____
b. $____ Premium for insurance in lieu of perfecting security interest
c. $____ [illegible] ____
d. $____ License, certificate of title and/or registration fees
e. $____ ____
f. $____ ____
$____ Total

Credit life, accident, health or loss of income insurance coverage is voluntary and not required for this credit. For term of credit, ( ) Credit life at $____ ( ) Credit life, accident and health at $____ ( ) ____ at $____ is available. I desire the insurance coverage checked. ____ 19____

( ) I do not desire insurance coverage. ____ (Signature of BUYER)

( ) (if applicable) ____ insurance coverage for a term of at least ____ months payable to BUYER, SELLER.

[illegible]

BUYER hereby acknowledges delivery and acceptance of GOODS AND SERVICES [illegible] and hereby grants to SELLER a security interest in GOODS AND SERVICES to secure the payment of Total of Payments.

"Notice to the BUYER – Do not sign this Contract before you read it or if it contains blank spaces. You are entitled to a copy of the Contract you sign. Under the law you have the right to pay off in advance the full amount due and under certain conditions may obtain a partial refund on the FINANCE CHARGE. Keep this Contract to protect your legal rights."

[illegible]

BUYER hereby acknowledges that this Combined Retail Installment Contract and Security Agreement with Truth in Lending Disclosure was completed as to all essential provisions and disclosures before it was signed by BUYER and a copy thereof was delivered to BUYER at the time this Contract was signed.

DATED this the ____ day of ____ 19____

____
(BUYER'S name, address and signature)

____
(SELLER'S name, address and signature)

BUYER WARRANTS, COVENANTS AND AGREES:

[illegible]

ASSIGNMENT

For value received, SELLER assigns the Total of Payments due under the above Retail Installment Contract and all rights, title and interest

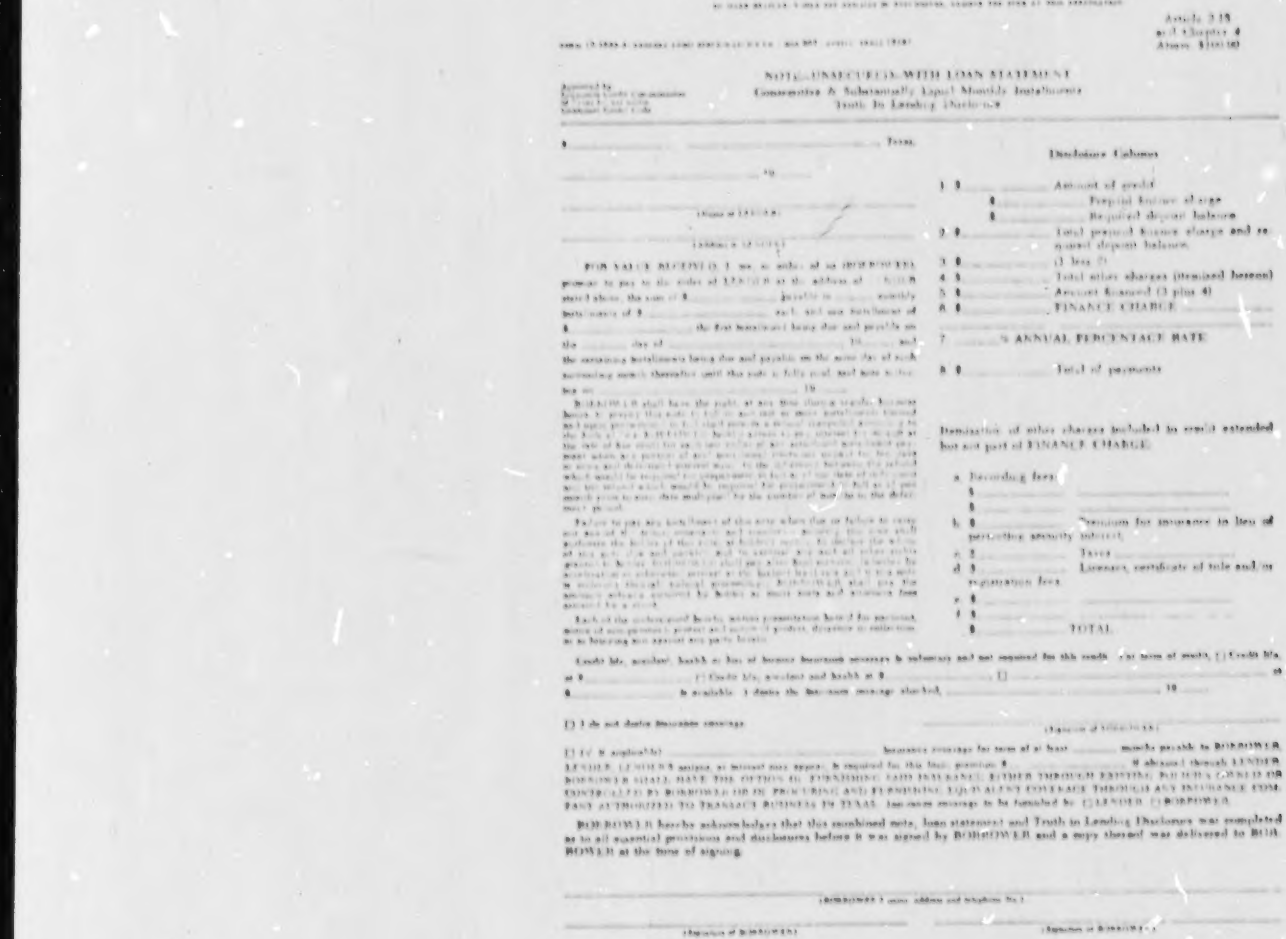
in said Retail Installment Contract to ______________________________________
with
without recourse.

DATED this the ________ day of ______________________ 19____

____
Signature of Seller

(Form furnished by Courtesy of The Steck Div., Steck-Warlick Co., Box 968, Austin, Texas, 78767)

APPENDIX B



Article 3.19
and Chapter 4
Article 5.01(d)

NOTE—UNLESS USED WITH LOAN STATEMENT

Approved by
[illegible]
Consumer & Substantially Equal Monthly Installments
Truth In Lending Disclosure

$ _____ Texas

_____ 19____

_____
(Name of LENDER)

_____
(Address of LENDER)

PROMISE TO PAY. I, we, or either of us (BORROWER), promise to pay to the order of LENDER at the address of LENDER stated above, the sum of $ _____ payable in _____ monthly installments of $ _____ each, and one installment of $ _____ the first installment being due and payable on the _____ day of _____ 19____, and the remaining installments being due and payable on the same day of each succeeding month thereafter until the note is fully paid, and more is due here on _____ 19____.

PREPAYMENT. BORROWER shall have the right at any time during regular business hours to prepay this note in full or any part or more installments thereof as I may prepay on the [illegible] at the rate of five cents for each dollar of any principal amount prepaid, which is a portion of any installment which is due, but which would be required to prepay in the [illegible] of the next installment [illegible] BORROWER shall pay the amount [illegible] by the number of months [illegible] the delinquency period.

DEFAULT. Failure to pay any installment of this note when due or failure to comply with any of the terms, conditions and covenants appearing on the face and reverse sides of this note or any other instrument executed in connection herewith shall constitute a default under this note. In the event of default, LENDER may, at its option, declare the entire unpaid balance of principal and accrued interest immediately due and payable. BORROWER shall pay the amount [illegible] by the number of months [illegible] the delinquency period.

ATTORNEY'S FEES. If this note is given to an attorney for collection or if suit is brought for collection, or if it is collected through bankruptcy or other judicial proceeding, BORROWER shall pay the amount [illegible] by the number of months [illegible] the delinquency period.

Each of the undersigned hereby waives presentment, notice of dishonor, protest and notice of protest, diligence in collection and the bringing of suit against any party hereto.

Credit life, accident, health or loss of income insurance coverage is voluntary and not required for this credit. [illegible] of credit. [ ] Credit life, accident and health at $ _____ [ ] _____ at $ _____ is available. I desire the insurance coverage checked. _____ 19____

[ ] I do not desire insurance coverage.

_____
(Signature of BORROWER)

[ ] I (if applicable) _____ insurance coverage for term of at least _____ months payable to BORROWER. LENDER, LENDER'S assigns, as interest may appear, is named for this loan premium $ _____ if obtained through LENDER. BORROWER SHALL HAVE THE OPTION OF FURNISHING SAID INSURANCE EITHER THROUGH EXISTING POLICIES OWNED OR CONTROLLED BY BORROWER OR BY PROCURING AND FURNISHING EQUIVALENT COVERAGE THROUGH ANY INSURANCE COMPANY AUTHORIZED TO TRANSACT BUSINESS IN TEXAS. Insurance coverage to be furnished by: [ ] LENDER [ ] BORROWER.

BORROWER hereby acknowledges that this combined note, loan statement and Truth in Lending Disclosure was completed as to all essential provisions and disclosures before it was signed by BORROWER and a copy thereof was delivered to BORROWER at the time of signing.

_____
(BORROWER'S name, address and telephone No.)

_____ _____
(Signature of BORROWER) (Signature of BORROWER)

Disclosure Columns

1. $ _____ Amount of credit
   $ _____ Prepaid finance charge
   $ _____ Required deposit balance
2. $ _____ Total prepaid finance charge and required deposit balance.
3. $ _____ (2 less 2)
4. $ _____ Total other charges (itemized hereon)
5. $ _____ Amount financed (3 plus 4)
6. $ _____ FINANCE CHARGE
7. _____ % ANNUAL PERCENTAGE RATE
8. $ _____ Total of payments

Itemization of other charges included in amount extended but not part of FINANCE CHARGE

a. Recording fees:
   $ _____
   $ _____
b. $ _____ Premium for insurance in lieu of perfecting security interest
c. $ _____ Taxes
d. $ _____ Licenses, certificate of title and or registration fees
e. $ _____
f. $ _____
g. $ _____ TOTAL

(Form furnished by Courtesy of The Steck Co., Steck-Warlick Co., Box 968, Austin, Texas, 78767)

BEST COPY AVAILABLE

APPENDIX C

Uniform Commercial Code—FINANCING STATEMENT—Form UCC-1 (Rev. 10-68)

92462

[illegible]

IMPORTANT—Read Instructions on back before filling out form

This Financing Statement is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code

1. Debtor(s) (Last name first) and Mailing Address	2. Secured Party(ies) Name and Address	3. Maturity Date (if any)
		4. For Filing Officer (Date, Time, Number and Filing Office)

5. This Financing Statement covers the following types (or items) of collateral. (WARNING: If collateral is crops or fixtures, read instructions on back.)

6. Name and Address of Assignee of Secured Party. (Use this space to describe collateral, if needed)

Check [x] if covered: [ ] Proceeds of collateral are also covered. [ ] Products of collateral are also covered. Number of additional sheets presented ____

7. This Statement is filed without the Debtor's signature to perfect a security interest in collateral.
(Please check appropriate box)
[ ] already subject to a security interest in another jurisdiction when it was brought into this state, or
[ ] which is proceeds of the original collateral described above in which a security interest was perfected, or
[ ] already subject to a financing statement filed in another county, or
[ ] already subject to a pre-code perfected security interest.

By _____ Signature(s) of Debtor(s)

By _____ Signature(s) of Secured Party(ies)

(1) Filing Officer Copy—Numerical

STANDARD FORM—FORM UCC-1 (REV. 10-68)—APPROVED BY SECRETARY OF STATE OF TEXAS—FORM 1075 (10-1968)—THE STOCK DIVISION, AUSTIN, TEXAS

(Form furnished by Courtesy of The Stock Div., Stock-Warlick Co., Box 968, Austin, Texas, 78767)

INSTRUCTIONS

1. PLEASE TYPE this form. Do not write in Box 4. The completion of Box 3 is optional.

2. If collateral is CROPS growing or to be grown, describe real estate concerned and give name of record owner of the realty.

3. If collateral is or will become FIXTURES, describe real estate concerned and give name of record owner of the realty. Also, write in the phrase, "Collateral is or includes fixtures." A financing statement covering fixtures cannot perfect a security interest in non-fixtures. If the collateral includes both fixtures and non-fixtures, separate financing statements for the fixtures and for the non-fixtures must be filed.

4. If the space provided for any item on the form is inadequate, the item should be continued on additional sheets, preferably 5" x 7 3/8".

5. FILING FEE for this standard form is $1.00. If the Assignee is shown on this standard form, the fee is $1.50. If any other form is used, or if any additional sheets or documents are attached, the fee is double (either $2.00 or $3.00).

6. Remove Secured Party and Debtor copies, and send other 3 copies with interleaved carbon paper still intact to the filing officer.

7. Fold only above or below TAB cord copy for mailing. DO NOT bend TAB cord.

8. At the time of original filing, the filing officer will return second copy as an acknowledgment. If acknowledgment copy is to be returned to other than the Secured Party or Assignee, please enclose a self-addressed envelope.

(Form furnished by Courtesy of The Steck Div., Steck-Warlick Co., Box 968, Austin, Texas, 78767)

Uniform Commercial Code—FINANCING STATEMENT CHANGE—Form UCC-3 (Rev. 10-68)

15026

IMPORTANT—Read instructions on back before filling out form

This Financing Statement is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code

3. Maturity Date (if any):

1. Debtor(s) (Last name first) and Mailing Address:

2. Secured Party(ies) Name and Address:

4. For Filing Officer (Date, Time, Number and Filing Office):

5. This statement refers to original Financing Statement No. _____ Date Filed _____ 19____

6. A. Continuation ☐ The original Financing Statement is still effective.

B. Assignment ☐ The Secured Party of record has assigned his interest in the following collateral to:

C. Termination ☐ The Secured Party of record no longer claims a security interest under the Financing Statement.

D. Partial Release ☐ The Secured Party of record releases the following collateral:

E. Amendment ☐ The Financing Statement is amended as set forth below:

7.

By _____
Signature(s) of Debtor(s)

By _____
Signature(s) of Secured Party(ies)

(1) Filing Officer Copy—Numerical

STANDARD FORM—FORM UCC-3 (REV. 10-68)—APPROVED BY SECRETARY OF STATE OF TEXAS—CODE 1256 (10-1968)—THE STECK DIVISION, AUSTIN, TEXAS

(Form furnished by Courtesy of The Steck Div., Steck-Warlick Co., Box 968, Austin, Texas, 78767)

INSTRUCTIONS

1. PLEASE TYPE this form. Do not write in Box 4.

2. Fold only above or below TAB card copy for mailing. DO NOT bend TAB card.

3. This form must be signed by the Secured Party of record. If an assignment is presented along with the termination, however, the Assignee may sign this statement as the Secured Party of record. This form need not be signed by the Debtor unless collateral is added by amendment.

4. If the space provided for any item on the form is inadequate, the item should be continued on additional sheets, preferably 5" x 7 3/8".

5. FILING FEE for statement specified under 6 A., B., C., D., or E., is $1.00. If an assignment is shown along with the termination on this same form, the filing fee is $1.75. If any other form is used, or if additional sheets or documents are attached, the filing fee is double.

6. Remove Secured Party and Debtor copies, and send other 3 copies with interleaved carbon paper still intact to the filing officer.

7. At the time of filing, the filing officer will return second copy as an acknowledgment. If acknowledgment copy is to be returned to other than the Secured Party or Assignee, enclose a self-addressed envelope; however, if the Financing Statement is terminated, the acknowledgment can only be returned to the Secured Party of record.

(Form furnished by Courtesy of The Steck Div., Steck-Wallick Co., Box 968, Austin, Texas, 78767)

APPENDIX E

Uniform Commercial Code—REQUEST FOR INFORMATION OR COPIES—Form UCC-11

IMPORTANT—Read Instructions on back before filling out form.

Debtor (Last name first and Address)	Party Requesting Copies or Information (Name and Address)	For Filing Officer

☐ Filing officer please furnish certificate giving the following information concerning any presently effective financing statement filed pursuant to the U.C.C. naming the above named debtor and any statement of assignment thereof. See Fee Schedule on back of part 2.

☐ Filing officer please furnish exact copies of each page of financing statements and statements of assignments listed below which are on file with your office pursuant to the U.C.C. See Fee schedule on back of part 2.

FILE NUMBER	DATE AND HOUR OF FILING	NAME AND ADDRESS OF SECURED PARTY

CERTIFICATE: The undersigned filing officer hereby certifies that

☐ the above listing is a record of all presently effective financing statements and statements of assignment which name the above debtor and which are on file in my office as of _____, 19____, at _____ M.

☐ the attached _____ pages are true and exact copies of all available financing statements or statements of assignment listed in above request.

_____ Date

_____ Filing Officer

(1) Copy 1

STANDARD FORM—FORM UCC-11—APPROVED BY SECRETARY OF STATE OF TEXAS—FORM 1960—THE STECK COMPANY, AUSTIN, TEXAS

(Form furnished by Courtesy of The Steck Div., Steck-Warlick Co., Box 968, Austin, Texas, 78767)

INSTRUCTIONS

1. PLEASE TYPE this form in block.

2. Remove copy of party requesting information or copies (part 2) and send other 2 copies with interleaved carbon paper still intact to the filing officer.

3. FEE SCHEDULE: If request for information or copies is made on this standard form the filing fee is:

   INFORMATION:
   $1.00 for the certificate
   $1.00 for each Financing Statement and each Assignment filed.

   COPIES:
   $1.00 for each page copied, plus
   2% sales tax, plus
   $1.00 for the certificate

4. No request for information or copies will be certified without payment of the total fee in advance. In order to expedite this request, it is recommended that a minimum of $2.00 be sent to the filing officer along with this form.

5. If this standard form is not submitted as a request for information or copies under the Uniform Commercial Code, the fee will be double that shown in the above schedule.

(Form furnished by Courtesy of The Steck Div., Steck-Warlick Co., Box 968, Austin, Texas, 78767)

DEPOSITED WITH

HARLANDALE BANK

SAN ANTONIO, TEXAS

DEPOSIT SLIP

ACCT. NO. 31-1891-4 DATE May 19--

TO THE ACCOUNT OF Janet Alvarado

ADDRESS 2392 W. Hutchins

San Antonio, Texas 78221

PLEASE LIST EACH CHECK SEPARATELY

	DOLLARS	CENTS
CURRENCY	10	00
SILVER		75
CHECKS	72	38
	9	41
TOTAL DEPOSIT	92	54
FOR BANK USE ONLY		

CLARKE PRINTING CO. SAN ANTONIO, TEXAS

FILLING OUT A DEPOSIT SLIP

Janet Alvarado fills out a deposit slip each time she deposits money into her checking account. Study the above deposit slip carefully. Answer the following questions about this deposit slip.

1. What is the deposit date?_____

2. What is the complete name of the depositor?_____

3. What is the address of the depositor?_____

4. What is the account number of the depositor?_____

5. How much money was deposited in currency?_____ coin?_____ checks?_____

6. How many checks were deposited?_____

7. What is the total amount of this deposit?_____

No. 56	$15.48	
April 3	19--	
To Kinneys Shoes		
For shoes		
Bal. Brought Forward	85	56
Amount Deposited	0	00
Total	85	56
Am't. This Check	15	48
Bal. Carried Forward	70	08

FIRST NATIONAL BANK No. 56

April 3 19--

PAY TO THE ORDER OF Kinneys Shoes $15.48

Fifteen and 48/100 DOLLARS

Jim Sullivan

Account No. 0031 - 1891 - 4

Jim Sullivan

Writing Checks

Jim Sullivan can fill out a check when he has enough money in his checking account. Above is a picture of a check stub and a check that Jim has completed. The check stub is Jim's record of his transactions with the bank. A check stub is attached for each check in the checkbook. It is a good habit to fill out the check stub before writing the check. The check goes to the person Jim is paying money.

1. What does the number (no.) on the check stub and check represent?

2. What is the date of the check?

3. What is Jim's account number?

4. What was the amount of the check?

5. To whom was the check paid?

6. What was the balance carried forward?